

*Lake Charlotte*, and to settle the claim of the United States against the owners of the French steamship *P. L. M. 7* for damages sustained by the U. S. S. *Pennsylvanian* in a collision with the *P. L. M. 7*; to the Committee on War Claims.

By Mr. UNDERWOOD: A bill (H. R. 2012) granting an increase of pension to Amanda Reber; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

182. Petition of Barbers' Union, Local 148, San Francisco, Calif., favoring a reduction of 50 per cent in the Federal tax on earned incomes; to the Committee on Ways and Means.

183. By Mr. BURTNESS: Petition of members of Dakota Monarch Turkey Club, residing near Michigan, Petersburg, and Mapes, N. Dak., urging an increase in the tariff on live poultry to 10 cents per pound and on dressed poultry to 15 cents per pound, and particularly urging that if all of such increases can not be applied to poultry generally, that they be granted the more hazardous turkey industry; to the Committee on Ways and Means.

184. Also, petition of citizens of Vang, N. Dak., asking for the repeal of the national-origins provisions of the immigration act, and requesting continuance of quotas based on 2 per cent of the 1890 census; to the Committee on Immigration and Naturalization.

185. Also, petition of the board of directors of the North Dakota Wheat Growers' Association, substantially indorsing the so-called McNary agriculture surplus control act, suggesting amendments thereto; to the Committee on Agriculture.

186. By Mr. LUCE: Petition signed by A. P. Coleman and others, urging increase in pensions for Spanish War veterans; to the Committee on Pensions.

187. By Mr. QUAYLE: Petition of Valentine & Co., New York City, favoring china wood oil be retained on the free list; to the Committee on Ways and Means.

188. Also, petition of John Gilmore, 803 Lincoln Place, Brooklyn, N. Y., opposing a higher duty on sugar; to the Committee on Ways and Means.

189. Also, petition of Carl H. Schuit Corporation, of New York City, opposing the increase of duty on sugar; to the Committee on Ways and Means.

190. Also, petition of the Associated Leather Goods Manufacturers, New York City, favoring an increase in tariff schedules affecting their industry; to the Committee on Ways and Means.

191. Also, petition of Street & Smith Corporation, publishers, New York City, favoring certain amendments to paragraph 1672 of the tariff act—newsprint; to the Committee on Ways and Means.

192. Also, petition of N. L. Lederer (Inc.), of New York City, favoring an increase of duty on glues and gelatines; to the Committee on Ways and Means.

193. Also, petition of Williamson Candy Co., 50 Washington Street, New York City, opposing the advance of duty on nut meats; to the Committee on Ways and Means.

194. Also, petition of Hutcheson & Co. (Inc.), New York City, with reference to Schedule 7, agricultural products and provisions; to the Committee on Ways and Means.

195. Also, petition of the Debevoise Co., Brooklyn, N. Y., in favor of continuing china wood oil on its present status; to the Committee on Ways and Means.

196. Also, petition of John Reese, commander in chief of the Grand Army of the Republic, Broken Bow, Nebr., requesting that pension legislation be considered during the special session; to the Committee on Invalid Pensions.

197. Also, petition of the American Legion of the State of New Mexico, opposing plan toward the abandonment of the United States veterans' hospital at Fort Bayard, N. Mex.; to the Committee on World War Veterans' Legislation.

198. By Mr. HENRY T. RAINEY: Petition of Walter A. Abbott, Naples, Ill., and 65 other citizens of Naples, Ill., favoring moratorium for drainage districts; to the Committee on Irrigation and Reclamation.

#### SENATE

THURSDAY, April 25, 1929

(Legislative day of Tuesday, April 23, 1929)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 1412) making appropriations for certain expenses of the legislative branch incident to the first session of the Seventy-first Congress.

#### PETITIONS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Northern Federation of Civic Organizations, at San Francisco, Calif., favoring the passage of legislation reducing the tax on earned incomes by at least 50 per cent, which was referred to the Committee on Finance.

Mr. BLAINE presented a joint resolution of the Legislature of the State of Wisconsin, memorializing Congress to enforce all articles and amendments of the United States Constitution alike, and "that the same amounts of money be appropriated by Congress to bring about the enforcement of section 2 of the fourteenth amendment to the Constitution of the United States as is appropriated for the enforcement of the eighteenth amendment," etc., which was referred to the Committee on the Judiciary.

(See joint resolution printed in full when presented by Mr. LA FOLLETTE on April 23, 1929, p. 332, CONGRESSIONAL RECORD.)

#### FEDERAL FARM LOAN BANK, COLUMBIA, S. C.

Mr. BLEASE. Mr. President, I ask unanimous consent to have printed in the RECORD and referred to the Committee on Banking and Currency some extracts in reference to the Federal farm loan bank at Columbia, S. C. I hope the members of the committee who supported the unfavorable report on my resolution will take the pains to read it.

There being no objection, the extracts were referred to the Committee on Banking and Currency and were ordered to be printed in the RECORD, as follows:

[From The State, Columbia, S. C., Tuesday, March 12, 1929]

BEAUFORT CASE GETS UNDER WAY—TRIAL OF RICHARDSON, HORNE, AND HARVEY BEGINS—IN FEDERAL COURT—H. C. ARNOLD, FORMER PRESIDENT OF LAND BANK, ON STAND

The trial of Walter E. Richardson, R. C. Horne, jr., and Miss Beulah B. Harvey on charges of violation of the Federal farm loan act in connection with the failure of the Beaufort Bank and the South Carolina Agricultural Credit Co. got under way yesterday in the United States Court for the Eastern District of South Carolina, Judge Johnson J. Hayes, of Greensboro, N. C., presiding. Another trial was held here in January, 1928, in which the three defendants in this case and three others were tried on charges arising out of the same failures.

Selection of a jury occupied the entire morning, both prosecution and defense refusing a number of veniremen as they were presented. Motions were made before the trial began by all defendants for severance, whereby each defendant would be tried separately, but the motions were overruled.

District Attorney J. D. E. Meyer, in presenting the case for the Government, said the Government charged that the defendants made statements to the Federal Intermediate credit bank, knowing them to be false, to obtain money from the intermediate bank, which statements influenced the action of the intermediate bank; that they obtained signatures to three kinds of alleged false papers—crop-production notes, mortgages of crops, and statements of personal property.

Mr. Meyer said the papers were false in that the signers did not own the property set forth in them, and that the signers did not, and did not intend to, plant the crops set forth in the crop mortgages. He said further that some of the statements were signed in blank.

The 26 counts on which the three defendants are being tried are all for the same alleged fraudulent action. The Beaufort Bank, of which Richardson was president, closed its doors July 10, 1926, after extended financial operations through the South Carolina Agricultural Credit Co., of which Horne was president and of which Richardson was a member of the board of directors and of the loan board. Miss Harvey was secretary and treasurer of the credit company and bookkeeper of the Beaufort Bank and was Richardson's secretary in the Beaufort Bank.

#### MORTGAGED PUBLIC ROAD

After explaining the indictment in detail Mr. Meyer said the Government intended to prove that some of the mortgaged property was a public road and that some of the individuals reputed to be worth thousands of dollars, according to their financial statements, were obtained through an employment agency in Philadelphia and were taken to Georgia, not having even stopped in South Carolina on their way down, and having never even seen the property they were reputed to have owned.

He said the Government proposed to prove that some of these men were brought down as mere farm laborers and their signatures obtained under various and divers pretexts to papers "in blank" and that these were later filled out. He said that the Government proposed to prove that each of these "blank" papers was signed by some one of the de-

defendants, attesting that the borrower was known personally, and that the statements therein contained were accurate.

Some of the signers of these alleged false statements, Mr. Meyer said, had demanded that their applications for loans be canceled and had received telegrams saying they had been canceled, although, he said, the Government would prove that they had not been canceled; that in addition new loans were sought; that the defendants knew that loans were being made on these alleged false statements and that they were being used to obtain money for the defendants from the intermediate bank, particularly for the Beaufort Bank.

Edgar A. Brown, who is defending Richardson and Miss Harvey, after outlining the depressing conditions which preceded the collapse of the Beaufort Bank and the South Carolina Agricultural Credit Co., said it finally came to a point that when the farmers discounted notes for the current year the intermediate bank took out of the proceeds all balances due from previous years.

Mr. Brown charged that the intermediate bank was nothing more than (H. C.) Arnold and (J. D.) Bell. He said that the defense would show that when all "the good farmers" had borrowed money, which was used to pay up the balances from all the farmers who had borrowed the previous year through the credit company, they had only \$200,000 to make a \$1,000,000 crop, although they were legally entitled to borrow \$600,000, and so an arrangement was made with the officers of the intermediate bank to give them a \$400,000 mortgage on the Truckers' Supply Co., an adjunct corporation.

#### AS MATTER OF FORM

Saying that the defense admitted that there was "no word of real merit" in most of the papers signed by the alleged farmers mentioned in the indictment, Mr. Brown said they were put up "as a matter of form on the advice of the officers of the intermediate credit bank." He referred to Mr. Arnold as "the alter ego" and said he was a party to the transactions because he said: "Give me papers."

Mr. Brown went on to say he was going to convince the jury that the officers and directors of the intermediate credit brought about this action "to shield themselves"; that "they were not deceived in any wise"; and that they brought about the proceedings "to protect their own skins." He added that he would prove that the officers of the bank, who had participated in these loans, one by one, from the president down, had been got rid of.

R. C. Horne, jr., acting as his own attorney, said: "My contention is, and the evidence will show, that I did not make, command, procure, or abet in obtaining and making the alleged false financial statements."

He said the papers which were alleged to be false were made at the "inducement of the Federal intermediate credit bank"; that the intermediate bank chose to report that it had no losses and no bad accounts rather than write off its losses for 1923, and chose this manner of accomplishing this end; and that in 1924 the officers of the intermediate bank got in consultation with some men in Beaufort and directed them to continue the loans by discounting papers of "good men" and using the proceeds to pay all back debts which were unpaid.

In explanation, Horne said that a "good man" would borrow \$20,000 through the credit company on good paper; the bank would charge off \$16,000 on bad paper borrowed by some one else through the credit company and the "good man" would get but \$4,000. He said it was necessary to get the other \$16,000 for the man to make his crop, so Daniel and Bell devised a plan to extend a blanket credit in one instance of \$400,000 and in another of \$250,000 to cover "the pool" of the debts made through the Beaufort Bank and the credit company.

#### TELLS OF TRANSACTIONS

After going into details about the mortgage of the Truckers' Supply Co., Horne went on to say that he knew of this arrangement between Richardson and the intermediate bank, but he was not a party to it. He said that the later arrangement of the \$250,000 "loan" was to appear as being divided arbitrarily among the alleged farmers "for the sake of Arnold and his fellow officers of the intermediate credit bank."

He said the notes handled through his company and indorsed by him aggregated \$2,000,000, which the Government, he said, claims is an evidence of criminality in him; but which he says would be an evidence of criminality had he not indorsed them.

H. C. Arnold, former president of the intermediate bank, was the first witness called by the Government, and he remained on the stand the rest of the afternoon.

At this point Mr. Brown asked for the exclusion from the courtroom of all witnesses. District Attorney J. D. E. Meyer objected on the ground that it was an unusual procedure, but Judge Hayes granted the request.

Mr. Arnold testified that he had no occupation at present; that he notified the Farm Loan Board last October that he would not be a candidate for reappointment because of ill health; that although he was improved now somewhat and was not under a physician's care, he still "carried things" as to smell when he got dizzy spells.

After testifying as to the working of the intermediate bank, Mr. Arnold said that the greatest percentage for taking care of loans allowed to the intermediate bank was 1 per cent, this varying somewhat

each way in accordance with the way the last debentures sold by the institution sold.

He said the bank did not have sufficient funds to investigate each loan, so they merely investigated the officers of the agency through which the loan was sought.

Mr. Arnold testified as to the experiments in Georgia in tomato growing and of his advice to Richardson, Horne, and H. B. Macklin to organize a new credit company to handle these transactions instead of handling them through the South Carolina Agricultural Credit Co., saying that the defendants had insisted on handling it through the existing company because they wished to make it a national concern.

#### CONSIDERS AN EXPERIMENT

He said that under the law he was permitted to lend ten times as much as the capital stock involved in the Georgia experiment, but that as he considered it an experiment, he refused to lend more than five times the capital stock, which amounted to a loan of \$250,000; and in addition he required crop insurance for three-fourths of the value of the venture.

Mr. Arnold said the insurance was offered because neither the intermediate bank nor the growers cared to take the entire risk of the "experiment."

The remainder of the afternoon was spent in introducing evidence in the case by Mr. Meyer, Mr. Arnold remaining on the stand.

At 6 o'clock the court closed, Judge Hayes announcing that hours today would be 9.30 to 11.30 and 3 to 6 o'clock.

United States Senator C. L. BLEASE was a spectator during the early part of the afternoon. Mr. BLEASE has been conducting a campaign in Congress for the investigation of the intermediate bank.

The jurors selected yesterday for the case are: C. B. Woolsey, of Aiken; B. P. Gibbs, of Huger; Peter B. Kortjohn, of Orangeburg; J. D. Copeland, of Bamberg; R. L. Bagnal, of Wilson; J. M. Boswell, of Paxville; McLaurin E. Burch, of Lake City; W. D. Gray, of Allendale; E. L. Woodward, of Montmorenci; J. Frank Clark, of Davis Station; Albert Eleazer, of Columbia; and G. R. Williams, of Florence.

At the close of the day Judge Hayes merely admonished the jury about discussing the case, but did not order it locked up, as was done in the previous trial last year.

[From The State, Columbia, S. C., Wednesday, March 13, 1929]

ARNOLD TESTIFIES IN BANKING CASE—TELLS OF FAILURE OF BEAUFORT INSTITUTION—IN FEDERAL COURT—PROSECUTION COMPLETES EXAMINATION OF WITNESS, DEFENSE ASKS QUESTIONS

H. C. Arnold, former president of the South Carolina Intermediate Credit Bank, was on the stand practically all day yesterday in the trial of W. E. Richardson, R. C. Horne, jr., and Miss Beulah B. Harvey in the Federal court on charges of violating the Federal farm loan act in connection with the failure of the Beaufort Bank and the South Carolina Agricultural Credit Co.

District Attorney J. D. E. Meyer completed his examination of the witness yesterday afternoon and turned him over to Edgar Brown, attorney for Richardson and Miss Harvey. Mr. Brown announced that he was practically through questioning Arnold, but Horne, who is acting as his own attorney, said he wished to question the witness.

Arnold testified that it was reported to him in 1925 that some of the papers on which money was being borrowed, through the credit company and the Beaufort Bank, were irregular, but said he did not personally make investigation. He said he was apprehensive in the fall of 1925 and Richardson and Horne came to see him. At this time his bank had rediscounted \$600,000 worth of paper for the credit company, he said.

He said Richardson told him deposits in his bank were running low and that if the intermediate bank refused to rediscount further paper it would precipitate disaster, and requested that the intermediate bank continue to rediscount paper until December to prevent the bank's having to close.

#### SUGGESTS A MORTGAGE

Arnold testified that Richardson told him at this time that if he continued to rediscount paper at this time until December, unless the crop failed, he would be able to tide over. Arnold said he asked for collateral and Richardson, in the presence of Horne, suggested a mortgage on the Truckers' Supply Co., adding that this mortgage was "purely additional collateral." He said that after this mortgage was executed papers were discounted for the Beaufort Bank until February, 1926.

In June, 1926, Arnold testified that the Beaufort Bank became slow in settling; that he sent J. D. Bell, manager of the intermediate bank to Beaufort, and after a conversation over the telephone he and Bell met in Yemassee for a conference, after which he told Bell to tell Richardson to meet him in Charleston, as he was afraid to go to Beaufort for fear of starting a run.

At this conference, the witness testified, it was disclosed by Richardson that the bank owed the intermediate bank \$901,000; that \$200,000 of this had been paid; that \$200,000 had been reinvested in marketing and packages; that \$192,000 was on the bank's books to the credit of the Cooperative Marketing Association, and that \$300,000 worth of



goods was in transit or otherwise not collected for. Arnold said that when he asked Richardson whether the bank could honor a check from the Cooperative Marketing Association, Richardson said "No."

#### WANTS TO WORK OUT

Arnold said that Richardson asked for time to work the thing out and offered to put up bills collectible by the bank as security for the money due. Bell accompanied him to Beaufort to get the bills, but later Bell and Richardson came to Columbia and said the Hanover National Bank had refused to honor certain papers, at which Arnold said he told Richardson he could do nothing, and advised them to take it up with New York.

Arnold said he supposed they had done something, as the intermediate bank received \$50,000 shortly after. He said Richardson and Bell went to New York to raise \$200,000; that Macklin returned with them and they did not raise the money; that he, Arnold, had found out Richardson had made false statements, and he demanded that the bank be closed, which was done the following Monday.

On cross-examination by Edgar Brown, Arnold admitted no banking experience, except the running of a \$100,000 "farm supply" in Greenville, Ga. He said he didn't know why he was appointed to the credit bank, where he was first appointed secretary. He said he gave up a job as deputy warden in the Atlanta Penitentiary at a salary of \$2,000 and subsistence to come here.

He said he got \$10,000 a year as president of the two Federal banks in Columbia. Mr. Arnold denied that he discounted paper signed by substantial farmers and used the proceeds to pay off unpaid balances from the previous year on other farmers, and that such was not done with his knowledge and consent. Mr. Brown said he intended to prove that Arnold and J. T. Sox, D. T. Gerow's secretary, did the things Gerow and W. F. Stevens were supposed as directors to do.

The witness said he thought Gerow and Stevens, the other two directors, signed approval on all papers which he had passed upon and signed and admitted that there was "no doubt that he (Arnold) ran the intermediate credit bank, the others being busy with the land bank."

Arnold said he had made no investigations up to August, 1925, and at that time everything seemed to be regular. He said at this time Richardson explained the bad situation in Beaufort, and told him that if the crop failed the bank would fail in the spring. He said the mortgage on the Truckers' Supply Co. was merely to cover that company's indorsements to further agricultural paper.

A large part of the day was taken up in the introduction of evidence by the prosecution.

[From The State, Columbia, S. C., Thursday, March 14, 1929]

#### OBJECTION RAISED AGAINST EVIDENCE—HORNE MAKES POINT IN BEAUFORT BANK CASE—IN FEDERAL COURT—SAYS PAPER WOULD SHOW ACTION NOT INDICATED IN INDICTMENT AGAINST TRIO

Objection to the introduction of a financial statement signed on a typewriter as evidence against him and his codefendants, Miss Beulah B. Harvey and W. E. Richardson, on trial on charges of obtaining money from the Federal Intermediate Credit Bank of Columbia was raised in Federal court yesterday afternoon by R. C. Horne, jr., his ground being that the proposed evidence was at variance with the charges in the indictment and that "a man has a right to know with what he is being charged." It was further disclosed by the defense that notes were rediscounted on the approval of but one member of the executive committee, although the laws of the bank required the approval of two.

This objection, however, would apply only to one-third of 1 of the 26 counts against the three defendants, the paper in question being an alleged financial statement of one Frank Bodine. It is charged in the indictment that by the submission of false financial statements, by the obtaining of false statements and the obtaining of signatures to such papers they influenced the intermediate bank in rediscounting paper for the Beaufort Bank and the South Carolina Agricultural Credit Co.

Horne contends that the paper was not signed and therefore could not have been the basis of any advance of money. The particular paper refers to the party who was said in the last trial of this case to have, by the description of the property in the alleged mortgages, mortgaged a piece of public road.

#### AT CLOSE OF COURT

The argument with regard to the objection took place at the close of court yesterday in the absence of the jury. At this time Horne also made the statement that toward the end of the dealings with the Beaufort Bank and the Agricultural Credit Co., H. C. Arnold, at that time president of the intermediate bank, practically supplanted the credit company, of which Horne was president, and that "the credit company was merely a transmittal agency for the intermediate credit bank."

Arnold was dismissed from the stand at 4 o'clock yesterday afternoon, after three days on the stand, and W. F. Stevens, former secretary of the intermediate bank and former member of the executive committee, was sworn and testified for about an hour, after which F. H. Daniel, president and director of the intermediate bank, was called to

the stand. After brief routine testimony, Horne's objection was raised, which the jury was taken out and the court recessed for the day.

Early in the day, Arnold admitted that the blank list containing the enumeration of notes for rediscount had a certificate upon it which made it a prerequisite to even considering the papers submitted by Miss Harvey that the notes therein mentioned had already been discounted for the original borrowers for agricultural purposes only.

In reply to a question put to him by Horne, who is acting as his own counsel, Arnold said that it was without a provision of law that he required the borrowers in the Georgia loans to spend a part of the money obtained from the intermediate bank on insurance premiums to pay the intermediate bank.

In reply to Horne, Arnold further said that he told the grand jury in Beaufort County in the fall of 1926 that Horne had collected some money in Union County which was due the intermediate bank, which he had not turned over to the bank, admitting further yesterday that he had testified on hearsay, adding that he had no purpose in so doing but to tell the truth.

#### WOULD NOT ALIBI

During the afternoon, Arnold added that in his testimony Tuesday in which he said he would assume responsibility for the loans made by the intermediate bank, he meant that he did not intend to alibi or put the blame on anyone else. He said further that when he appeared before the grand jury he did not know who would be indicted.

Questioned by Edgar A. Brown of defense counsel, Arnold denied that he told the grand jury of Beaufort County that Horne should be indicted but said that he had said someone should be indicted. He denied that the people of Beaufort County were thinking of indicting him and Bell and himself for "robbing" the people of Beaufort County.

Replying to a question by Horne, Arnold refused to deny that papers were rediscounted several times only on his own signature, without the signature of another of the executive committee, but said that it should not have been done. At this point Horne showed him seven schedules of loans, already introduced by the prosecution as evidence, which bore the approval and initials of Arnold only, the witness admitting both.

At the close of his testimony Arnold was asked by defense counsel if he cared to change previous testimony to the effect that Horne knew that it was necessary for two members of the executive committee to sign approval of loans, but the witness said he did not care to change.

W. F. Stevens of Charlotte, N. C., former secretary of the intermediate bank until July, 1928, and former member of the executive committee, was called.

#### WITH OWN JUDGMENT

Stevens said that "it was with his private individual judgment" that he approved loans and denied that "Arnold was the whole cheese."

District Attorney J. D. E. Meyer showed some checks for identification by the witness which had been signed by Stevens and D. T. Gerow, another executive committeeman, without Arnold's signature, the purpose being to show that Arnold did not conduct the entire business of the bank. Stevens said he had formerly been county auditor in Charlotte.

At this point Edgar Brown showed a number of financial statements, approved in Arnold's handwriting, although other initials had been placed above them, the object being to show that loans were passed on by the other two committeemen on Arnold's O. K.

Replying to Mr. Brown's question, Stevens said it was entirely possible for a check to be issued by the clerical force without the application's bearing the approval of more than one committeeman, although this would be an accident.

Here, Brown showed him nine schedules, which the witness admitted had been approved and rediscounted, although but one approval was shown on their faces, the approval being Arnold's O. K. and initials.

Explanation made by Stevens disclosed that the only identification a check had, when it came to him for signature, was a voucher attached by a perforation at the bottom on which the name of the borrowers and the sum to go to each appeared and he admitted that he signed "perhaps thousands" of checks without knowledge of the bases on which the loans were made. He said he signed the checks on the assumption that the manager had passed them as O. K.

Daniel's only testimony, out of the routine, was that Miss Harvey had personally brought paper to the intermediate bank for rediscount for the Agricultural Credit Co., that she answered letters for the company, and made remittances.

[From The State, Columbia, S. C., Friday, March 15, 1929]

#### COURT OVERRULES HORNE OBJECTION—DECLARES VARIANCE FROM INDICTMENT IMMATERIAL IN BEAUFORT CASE—DANIEL STILL ON STAND TESTIFYING AS TO ALLEGED IRREGULARITIES IN BANK

Objection to a financial statement signed on typewriter as evidence against him and his codefendants, W. E. Richardson and Miss Beulah B. Harvey, on trial in Federal court on charges of obtaining money from the Federal Intermediate-credit bank on alleged false financial statements, raised Wednesday, on the ground that it was at variance

with the terms of the indictment, was overruled yesterday morning by Judge Johnson J. Hayes on the ground that there was no material variance.

F. H. Daniel, president of the intermediate bank, who went on the stand yesterday, began the proceedings yesterday morning by testifying that July 11, 1926, he interviewed Richardson, who was president of the Beaufort Bank, with the object of securing additional security to protect paper rediscounted for Frank Bodine and others, aggregating \$1,500,000. At this time he was an inspector for the intermediate bank.

Daniel testified that Richardson handed him a list of notes aggregating almost \$200,000, on which he initialed certain names, including Bodine's, which he wished to secure. The witness testified that he found later that in each instance where a name was initialed the papers were irregular.

He testified further that Richardson later told him that "they were irregular and I need not expect to find any assets for Frank Bodine." He said that at this time only Richardson was present, but that they later discussed these irregular papers in the presence of Miss Harvey.

Daniel said that when lawyers were sent to Beaufort to investigate the assets of certain men whose paper had been rediscounted by the intermediate bank, Richardson told him it was no use to look for any assets, as they had none; that about 15 of these men came to Beaufort and signed the papers, but did not remain there.

The witness testified that Richardson told him on one occasion that he had prayed to his Maker before he permitted any irregular papers to be rediscounted and that he thought the good he would do would offset the irregularity.

Daniel further testified that Richardson told him some of the notes were forged and "the community at large had used him and his bank" and he had been a loser thereby.

The witness said that in his presence E. V. Mitchell had admitted that he had forged certain papers, the occasion being a conference of Daniel, Richardson, N. P. Bryan, Mitchell, and others. This statement was not admitted into evidence on the ruling of the court.

He said that when asked for an explanation of the alleged irregular papers of the South Carolina Agricultural Credit Co., he refused unless H. C. Arnold, then president of the intermediate bank, would give him a letter saying he would not use it in evidence against him. Daniel said Arnold would not write the letter and therefore Horne gave no explanation.

The defendants, in the interest of saving time, admitted certain signatures to statements and checks to be genuine and did not force the Government to prove them genuine, the understanding being that they did not admit any criminality, but merely acknowledged the signatures as being made in the regular course of business.

The only unusual thing brought out in the afternoon was the statement by Daniel that money was lent by the intermediate bank on duplicate financial statements and that the originals were sent to the intermediate bank when they were asked for. Mr. Daniel said he could not say where the originals were kept, as his bank kept the duplicates.

The rest of the afternoon was spent by the Government in the introduction of papers in evidence, most of which were objected to by the defense, but the court overruled them, allowing an exception to be noted.

[From The State, Columbia, S. C., Saturday, March 16, 1929]

**DANIEL FINISHES BANK TESTIMONY IN TRIAL OF TRIO IN BEAUFORT CASE IN FEDERAL COURT—HORNE CHARGES DEBENTURES SOLD ON NOTES, BORROWERS GETTING NOTHING**

Testimony and cross-examination of F. H. Daniel, president of the Federal Intermediate Credit Bank of Columbia, was completed yesterday in the trial of W. E. Richardson, R. C. Horne, jr., and Miss Beulah B. Harvey in Federal court on charges of obtaining money from the intermediate bank through alleged false financial statements, the case growing out of the failure in July, 1926, of the Beaufort bank and the South Carolina Agricultural Credit Co.

The sensation of the trial yesterday was a charge, made by Horne in argument, during which the jury was dismissed, that the intermediate bank had sold debentures at 4 per cent, based on alleged loans, the proceeds of which never reached the alleged borrowers, but which were used to pay the past-due obligations of borrowers located, in some instances, hundreds of miles from those whose money was being used to pay them.

Daniel testified early in the day that the intermediate bank did not realize a dime from the papers discounted for Frank Bodine, named in the first count of the indictment. He added that the same applied to all of the 26 men named in the indictment, except certain small shares divided among the debts realized from the sale of \$75,000 worth of Liberty bonds, which had been pledged as security, some crop insurance, and some money realized from one sale of H. B. Macklin's mules. He said the intermediate had charged off losses in the amount of almost \$1,200,000.

The witness testified further that the intermediate had never been notified of the cancellation of crop insurance for four of the men whose names appear in the counts of the indictment.

Shortly after the cross-examination was begun by Edgar A. Brown, attorney for Richardson and Miss Harvey, the court dismissed the jury and reprimanded the Government attorney, the defense attorney, and the witness for discourtesy to each other and warned them against such conduct.

During the afternoon, confronted with certain testimony said to have been given by Daniel in a hearing in Beaufort on a previous occasion, the witness denied that he had made certain answers to questions, saying he had been misquoted by the stenographer and that certain questions had also been misquoted, particular emphasis being placed on the use by the stenographer of the expression "ex promission," which, Daniel said, was not in his vocabulary. This same expression was the subject of considerable controversy in the trial of a similar case against the defendants and others in January, 1928.

Replying to questions put to him by Horne, who is acting as his own counsel, Daniel said that in the fall of 1925 he took a sum in excess of \$1,000,000 of unallocated cash, on deposit in banks to the credit of the intermediate bank, to withdraw a like amount of notes of the South Carolina Agricultural Credit Co. from the security put up for debentures of the intermediate, giving as his reason that he had found the credit company's paper to be worthless.

An attempt by the Government to introduce into evidence a carbon copy of what purported to be a financial statement of the Truckers' Supply Co., made an unmarked paper, was not successful, the court ruling, on an objection made by Horne, to exclude it.

[From The State, Columbia, S. C., Sunday, March 17, 1929]

**FOUR WITNESSES IN BEAUFORT MATTER—LITTLE BROUGHT OUT IN BANK CASE YESTERDAY**

Four witnesses were heard yesterday in the Beaufort Bank case in which W. E. Richardson, R. C. Horne, jr., and Miss Beulah B. Harvey are being tried on charges of obtaining money from the Federal Intermediate Credit Bank of Columbia on alleged false financial statements.

Joseph Meadows, who had been employed by the intermediate bank on its inspecting force, was called to the stand at 9.30 but most of his testimony was in the nature of the workings of the bank. He identified certain papers as having been delivered to him by Miss Harvey.

Edward Nelson, a former employee of the Beaufort Bank, identified certain financial statements as being in the handwritings of Richardson and Miss Harvey.

The first of the 26 names mentioned in the indictment was called shortly after 10 o'clock and Raymond Spence, who said he was a native of New Jersey, took the stand. Spence said he was one of the "alleged Beaufort farmers" and that he came to Beaufort and the following day signed certain papers, although he did not know they were a mortgage, a note, and a final statement at that time.

An objection made by Horne to the introduction of these papers into evidence by the Government, on the ground that none of these particular papers were sent to the intermediate bank and hence they did not influence the action of that institution, was overruled by the court, Judge Johnson J. Hayes saying to the jury that the defendants could not be convicted in regard to any influence these statements could have but that the jury would have to determine whether a copy of these statements were submitted with the intent to obtain money on the alleged false statements from the intermediate bank.

Spence testified that he owned no lands and had no crops at the time he signed the papers, although the mortgage said he owned 153 acres of land and had planted hundreds of acres of truck. He said he later planted 35 acres of tomatoes on Hogarth farm. He testified that the signature was obtained from him by Richardson but admitted he never saw Horne until after the Beaufort Bank failed.

Frank Bodine was the last witness called. He said he came from Philadelphia on account of his health and went to live at Sheldon, S. C., on his father-in-law's place. His testimony as to his financial affairs was similar to that of Spence and he said that the only land in Beaufort County which answered the description in his alleged mortgage was a public road.

Horne brought out in cross-examination that the signatures of Bodine were obtained by N. P. Bryan, a truck grower of Beaufort County, and that he did not know Horne until after the Beaufort Bank failed.

Shortly after noon the court recessed until 10 o'clock to-morrow morning.

[From The State, Columbia, S. C., Tuesday, March 19, 1929]

**SIXTEEN HEARD IN BEAUFORT CASE—FEDERAL COURT RUNS LONG SESSION—IN THE BANK MATTER—MOST OF WITNESSES TESTIFY AS TO SIGNING BLANK FINANCIAL STATEMENTS**

Sixteen witnesses were examined and cross-examined in the Beaufort Bank case in Federal court yesterday, Judge Johnson J. Hays conven-



ing court at 10 o'clock and recessing it at 7 o'clock, with only 75 minutes for lunch. Court was recessed last night until 9 o'clock this morning.

The first witness was George W. Jones, one of the farmers involved in the transactions out of which the case against W. E. Richardson, R. C. Horne, jr., and Miss Beulah B. Harvey grew. He testified that he was a "member" of the Truckers' Supply Co. and that he had been told by H. B. Macklin to borrow through the South Carolina Agricultural Credit Co., of which Horne was president. His testimony otherwise was similar to that of similar witnesses earlier in the trial.

Clifford Cagle, special accountant for the Bureau of Investigation, Department of Justice, testified as to the places and manner in which he found certain papers exhibited as evidence in the case. Regarding certain financial statements, alleged to be those of some of the farmers mentioned in the indictment but which were not signed and were admitted never to have been presented to the Federal intermediate credit bank, the court ruled that the defendants could not be convicted on such statements which had never been presented to the intermediate bank.

Raymond H. Costill identified his signature on financial statements, notes, and mortgages, saying the signatures were obtained from him by Richardson in the presence of Kelsey Clark, George Jones, and William Spence. He said he attended a meeting in New Jersey with Macklin; that Macklin bought an automobile, and that he came South in the automobile on what he understood to be a 50-50 crop basis. He said Macklin told him he would be a member of the Truckers' Supply Co. and that he would be furnished with a farm. He said he was with Macklin until a few weeks ago. On cross-examination this witness and all subsequent witnesses admitted they had never seen Horne until they came into the court room at the previous trial on a similar indictment in January, 1928. He said he got an order from the Truckers' Supply Co. on the Beaufort Bank for the money to meet the pay rolls.

N. T. White and all subsequent witnesses testified that they signed the papers in blank and that they had none of the assets mentioned in the financial statements. White testified that he signed the papers "as a matter of form and because Costill said it was 'all right.'"

William V. Beckitt, Benjamin W. Beckitt, and Raymond M. Beckitt testified that they had none of the assets listed and that they had come down under similar circumstances.

That he was to get \$75 a month and 15 per cent of any profits remaining from the operations at the close of the year, these profits to be applied to stock in Seaboard farms, was testified by W. W. Cunard.

D. W. McDowell, J. C. Searson, H. A. Bowers, and Tylee B. Engle testified similarly, the salaries being somewhat variant. Engle said that W. R. Eve, for whom most of the Seaboard farmers said they signed the papers, shuffled the papers when he attempted to read them before signing them.

A financial statement was exhibited to W. R. Fleming, who said he had not signed it, but later it developed that the document was not signed at all. He said he had not authorized anyone to make up and sign such a statement for him. He said he signed certain other papers in Macklin's hotel room in Savannah in the presence of Richardson.

J. H. Lippincott, George W. Bintliff, and Charles W. Bunting all testified that they signed the three papers for Eve, that they later demanded that the papers be canceled, and that they received telegrams announcing such cancellation from Eve. They said Macklin had to get a lawyer and the sheriff to go out them from his property, or at least admitted that Macklin took such action.

Lippincott said that Eve snatched the paper out of his hands twice as he was trying to read it before signing, but admitted he signed it.

[From The State, Columbia, S. C., Wednesday, March 20, 1929]

SEVEN TESTIFY IN BEAUFORT CASE—TO SIGNING BLANK NOTES, STATEMENTS, MORTGAGES—IN FEDERAL COURT—CASE AROSE OUT OF FAILURE OF AGRICULTURAL CREDIT COMPANY AND BANK

Seven witnesses were heard yesterday in the case against W. E. Richardson, R. C. Horne, jr., and Miss Beulah B. Harvey in Federal court on charges of submitting false financial statements to the Federal Intermediate Credit Bank of Columbia with the purpose of obtaining money from that institution.

The first witness was E. D. Hodge, who testified that he was first a clerk in the intermediate and later went to the Columbia office of the South Carolina Agricultural Credit Co., of which Horne was president. His testimony was mainly routine in character.

W. R. Eve, jr., who testified that he and Macklin controlled the Seaboard farms in Georgia, denied that he solicited signatures to blank financial statements, as was testified by previous witnesses, but admitted that he accompanied some of the men when they went to sign the statements.

He said that none of the defendants owned any interest in the Seaboard farms. He said he laid the papers before the signers before they were asked to sign them and that it was explained to them for what they were to be used. He said that South Carolina Agricultural Credit Co., through W. E. Richardson, prescribed what assets were to be filled in on the financial statement blanks.

The witness testified that it was originally planned to purchase 151 mules from the Atlanta Trust Co., that this was why approximately that many were mortgaged in the papers exhibited, but that they got behind in the operations and in order to speed them up tractors were used instead of mules. He admitted the mules were mortgaged before being purchased. He said the Seaboard farms actually had 75 mules and over 100, exclusive of six mortgages which were to have been canceled, had been mortgaged.

A. DeZavala, former examiner for the Federal Farm Loan Board, testified that he had examined the Columbia bank in January and February, 1926, and identified certain papers as having been examined by him.

T. B. Eaver, president and treasurer of Fairland farms, testified that H. A. Bowers was a foreman for him and that he did not know he was supposed to be farming a portion of his land until it was disclosed by financial statements that Bowers had a section of the land described as Eaver's. He said he did not know that certain notes he had signed were renewals of some one else's notes on operations of the previous year and that Professor Moore, of Clemson College, and Nick Bryan were supposed to be superintending his operations.

Testifying that Richardson had told him that he was to be president of Cotton Hall Co., E. L. Priester identified certain notes signed by him as president, although he said he had never got any stock in the company and that he had never called any stockholders' meetings. The court ruled this evidence out as regarded Horne. Priester identified the property as described as belonging to J. C. Searson as the same as he was supposed to own, adding that Searson was supposed to have been a hand on his farm.

Charles L. Bonner and Louis Delver both identified financial statements, mortgages, and notes as having been signed by them in blank and filled out later. Delver's statement, though he testified it was filled out in Georgia, was on a South Carolina blank. Both testified on cross-examination that they never knew Horne until they entered the Federal court room in January, 1928, during a previous trial arising out of the same financial operations.

[From The State, Columbia, S. C., Thursday, March 21, 1929]

HORNE USES GUMPS IN ARGUING CASE—AND SAYS HE IS NOT THE TOM CARR—TRIAL NEARING END—ATTORNEYS IN MIDST OF SPEECHES BEFORE JURY IN BEAUFORT MATTER

"F. H. Daniel is the Henry J. Austinn of this case and I am not Tom Carr; Walter E. Richardson is the Tom Carr," said R. C. Horne, jr., acting as his own attorney in the case of the United States against W. E. Richardson, R. C. Horne, jr., and Miss Beulah B. Harvey in Federal court on charges of submitting false financial statements for the purpose of obtaining money from the Federal Intermediate Credit Bank of Columbia. Daniel is president of the intermediate bank, but at the time of the alleged irregular papers was a minor officer.

The case began March 11 and the Government completed its presentation yesterday shortly before noon. The defense took less than an hour and the afternoon was devoted to argument before the jury by District Attorney J. D. E. Meyer, for the Government, and Horne, for the defense on his own behalf. Edgar A. Brown, attorney for Richardson and Miss Harvey, will argue for them this morning, after which Judge Johnson J. Hayes will deliver his charge to the jury.

The first witness was Louis Delver, recalled by the Government to complete testimony begun Tuesday afternoon. After a few minutes on the stand he was dismissed and Hiram S. Gardner, formerly an employee of the intermediate bank and later of the South Carolina Agricultural Credit Co., of which Horne was president, was called.

Gardner's testimony was mainly in the identification of certain papers. He said that Horne did not sign any papers unless he knew what he was signing. He testified that the intermediate bank got \$91,809.05 crop insurance and that 1,127 acres were actually insured, although but 341 acres were planted.

Horne, for the defense, offered in evidence a duplicate of a letter, the original of which could not be produced by the Government, which revealed the state of the Beaufort Bank and the credit company before the institutions failed, the letter being addressed to the intermediate bank.

Asked what the purpose of the submission of this evidence was, Horne replied that it was introduced to show that the intermediate bank returned all evidence to the defendants which would tend to show that they were cognizant of the financial conditions of the Beaufort bank and the Agricultural Credit Co. and that their books were not up to date. On objection of the district attorney, the court ruled the evidence irrelevant.

DOES NOT TESTIFY

Horne asked the court to compel Miss Harvey to testify in his behalf, but she refused on advice of her attorney and the court ruled that a codefendant need not testify unless he wished to do so. Horne called on Richardson to testify, and he, too, refused.

This completed Horne's presentation and Mr. Brown arose and called on Horne to testify for his clients, which Horne refused to do.

Mr. Brown offered as evidence a number of papers regarding certain rediscounts made in August, 1925, a letter from the credit bank to the credit company, and the letter transmitting the insurance money to the intermediate bank, with the check, as evidence for the defense, this closing the case at 12.30.

The Government offered nothing in reply and the court recessed until 2.30.

After one hour and a half's argument before the jury, in which District Attorney J. D. E. Meyer outlined the contentions of the Government on the 26 counts on which the trio are indicted, Horne argued for a half hour before the jury.

#### HORNE MAKES ACCUSATIONS

Horne argued that under section 211A of the act which created the intermediate bank there was evidence that H. C. Arnold, the president of the intermediate bank when the acts mentioned in the indictment are alleged to have been committed, and Daniel, had tried to deceive the Federal Farm Loan Board and that that was the reason the action was brought under section 211B.

He pointed out that since that time all the officers of the intermediate bank had fallen by the wayside and that Daniel, "at that time only a minor clerk," was the only one now left. He charged that Daniel worked Hodge out of a job and that he was "the Henry J. Austinn of the case," and said Richardson was the "Tom Carr."

Horne argued that there was nothing in the creating law or in the by-laws of the intermediate bank to say that two members of the loan committee should approve a loan, although Daniel had testified to that effect but could not find it in any of the books of the institution.

Finally, Horne charged that the district attorney had called upon R. H. Stevens, one of the former directors of the intermediate bank, to perjure himself.

The court recessed at 4.40 yesterday afternoon to meet at 9 o'clock this morning when Mr. Brown will present his argument and Judge Hayes will deliver his charge to the jury.

[From The State, Columbia, S. C., Friday, March 22, 1929]

#### TRIO ACQUITTED IN BEAUFORT CASE—JURY DELIBERATES BUT 50 MINUTES ON MATTER

After 50 minutes' deliberation the jury brought in a verdict of not guilty in the case against W. E. Richardson, R. C. Horne, jr., and Miss Beulah B. Harvey in Federal court on charge of submitting false financial statement to the Federal Intermediate Credit Bank of Columbia with the purpose of influencing its action in rediscounting paper for the Beaufort Bank and the South Carolina Agricultural Credit Co., out of the failure of which the case arose. There were 26 counts in the indictment. The case began March 11.

The court opened in the morning with Edgar Brown, attorney for Richardson and Miss Harvey, arguing for his clients. Mr. Brown showed the jury a paper bearing calculations made by H. C. Arnold, president of the intermediate bank at the time the alleged irregularities occurred, and asked the jury if this was a calculation which would be made by a competent banker.

He said that H. C. Arnold and H. B. Macklin arranged the line of credit on the seaboard farms in Georgia and that Richardson, Horne, and Miss Harvey did not become connected with the matter until after it was arranged, and that their purpose was to get the business handled through their institutions in order to get their half of 1 per cent commission.

Judge Hayes began his charge at 11.30, recessed the court at 12.45 until 2.30, and completed his charge at 4.45.

District Attorney J. D. E. Meyer announced yesterday afternoon that he was ready to proceed with another case against the three defendants in this case and J. L. Butler on five counts similar to those for which they were tried in this case. Judge Hayes indicated that he would not begin a new trial until Monday, but recessed court to 9.30 this morning so attorneys may discuss when the next case is to be heard.

[From the Greenville News, Greenville, S. C., March 22, 1929]

#### ACQUITTAL FOR BEAUFORT TRIO—RICHARDSON, HORNE, AND MISS HARVEY FREED IN BANK FAILURE CASE—FACE MORE CHARGES

COLUMBIA, S. C., March 21.—After 50 minutes' deliberation the jury brought in a verdict of acquittal at 5.35 p. m. to-day in the case against W. E. Richardson, R. C. Horne, jr., and Miss Beulah B. Harvey, all of Beaufort.

The defendants had faced charges of submitting false financial statements to the Federal Intermediate Credit Bank of Columbia to influence its action in rediscounting paper for the Beaufort Bank and the South Carolina Agriculture Credit Co. Failure of the bank and the credit company brought on the case.

There were 26 counts in the indictment.

[From Kansas City Weekly Star, April 3, 1929]

#### A LAND BANK LEVY—1,800 STOCKHOLDERS ASSESSED 100 PER CENT TO COVER \$6,498,812 DEFICIT—BY FARM LOAN BOARD—HITS TRUSTING INVESTORS—THE RECOMMENDATION IS MADE IN WASHINGTON BY H. M. LANGWORTHY, RECEIVER

An assessment of \$3,800,000 on the 1,800 stockholders of the Kansas City Joint Stock Land Bank was announced Monday.

The 100 per cent assessment on stockholders was levied by the Federal Farm Loan Board in Washington on the recommendation of H. M. Langworthy, receiver, who gives an approximate estimate of the land bank's deficit as \$6,498,812.62.

While there is some stock held in and around Salina, Kans., Walter Cravens's "home town," and scattered holdings elsewhere in this section, the bulk of the issues went to investors in New York, New England, Pennsylvania, Ohio, Illinois, Michigan, and California. Spurred by Cravens's bookkeeping showing and aided by high-pressure sales organization some stock buyers paid as high as \$180 for stock, par at \$100. Yesterday's assessment exacts another \$100 on each share.

#### MAY BE FOUR PAYMENTS

The assessment may be met in four payments—May 1, June 1, July 1, and August 1. It is levied against shareholders of record May 4, 1927, the date of the receivership, and if not paid can be collected by suit.

The farm loan act provided specifically that joint-stock land bank shareholders should be held individually responsible for the contracts, debts, and engagements of the bank to the par value of stock held, in addition to the amount they already had paid for the stock. The large capital permitted the issue of more than \$40,000,000 in mortgage-secured bonds.

Briefly the receiver's estimated valuation and the assets as they were carried on the books show this shrinkage:

Assets	Book amounts	Receiver's valuation
Cash.....	\$154,204.83	\$154,204.83
United States securities.....	6,365,765.88	6,431,159.54
Mortgage loans.....	34,234,303.99	31,037,020.99
Farms foreclosed or in process.....	8,462,931.57	3,295,840.03
Land bank building equity.....	855,856.14	437,500.00
Other assets.....	233,330.93	188,372.03
Total.....	50,406,393.44	41,544,007.42

[Editorial in Jamestown, N. Y. (Republican), Morning Post, April 4, 1929]

#### GOVERNMENT BANKING A FAILURE

Government banking seems no more successful than was Federal operation of railroads. A 100 per cent assessment has been levied on the 1,800 stockholders of the Kansas City Joint Stock Land Bank by the United States Farm Loan Board on the recommendation of the receiver to pay a deficit of nearly \$6,500,000. Evidently this was not a practicable plan of farm relief.

[Extracts from article by Xeno W. Putnam, Harmonsburg, Pa., author of The Coming Scandal of the Federal Farm Loan System and many other finance works]

#### HOW THE FEDERAL FARM LOAN SYSTEM WAS RUINED

A rational plan and a sound business policy underlie every continuing commercial success ever launched. This is true in all legitimate industries; it is no more true of the others than it is of farming. But behind them, and under them and above them, on the farm as everywhere else, there must be some system of finance that is able to carry them through.

Better markets, it is true, are vitally needed for the farmer; they must be made available to him if farm products are much longer to continue available for the markets. In the merit of some of these co-operative marketing plans that are now being generally discussed we have much faith. But the best markets in the world will not help the farmer who has nothing to sell, and no saleable farm crop can be produced without the money or some ready form of credits to finance its production.

The power of finance is fundamental, if it is not actually supreme, in the farm problem as it is in every other commercial activity. And because this is true, whether we like it or not, that problem can never be enduringly solved unless and until the financing of the farmer is given its place of leadership. Marketing is an end; it is also a means to an end; but neither the means nor the end can really enter the problem until the expense of production has been provided.

The Federal farm loan act was passed by Congress to convert the unwieldy credits of the farmer into the more liquid assets required by modern business. This it has done. No other credit system ever did this nationally for the farmer until that act was passed, although its principles have since been engrafted into several other financing systems. Perhaps its greatest service to farming was in teaching the



world that the community pledge from the rural districts has a value upon the market place as distinct and almost as liquid as that behind industrial stocks and railroad bonds. For the first time in the history of finance a farm security was generally admitted into full commercial brotherhood.

To most of the guilds and factions of modern business this success came through as the fulfillment of a dream; to a few of them it ensued as a nightmare. Fees, bonuses, commissions, excess-service charges that had been driven gradually from organized business had taken their final stand along the trail of agriculture as a vested right; to these usurers and near blackmailers the farm loan act was about as attractive as the Magna Charta to the Neros of class privilege or as Christianity itself to the Prince of Darkness.

Through these camps and armies of charlatans the watchword was quickly passed: "The Federal farm loan act has got to be short-circuited; if not by its enemies, then by its friends. If we can not kill it, we must absorb it." The threat and the wish might have been futile had these business mountebanks performed upon their own stage. They did not; they do not. Allied to their policy by mutual sympathy and committed to it by a common tradition are the coldest and hardest and most unscrupulous factors of that speculative world called Wall Street, and which is no more an indigene of Wall Street proper than is the tornado of the cloud out of which it forms. This alliance, though it did not originate the hostility, made a reality out of a bombastic threat.

Perhaps not even this confederacy would have been successful had there been no other. Again, there was, there is; it is possible that there always will be. Out of the coterie of legitimate politics there has come the factional promoter, the tool of party or of secret interests, the trader of votes for influence or of influence for votes, the cunning agent of big interests, the broker in patronages and class privilege; unscrupulous, experienced, crafty; a strange merger, indeed, but a very thrifty one, that has gradually, skillfully, certainly gotten control of the whole farm finance system and from which it must be released before the great farm problem can be truly solved.

#### THE NEW FARM FINANCE SERIES

[By Xeno W. Putnam, Harmonsburg, Pa. Now being prepared after a careful study of the Federal farm loan system since its beginning—of its purpose, history, management, its value, and its weakness as disclosed by what it actually has done to the farmer and farm life.]

#### THE COMING SCANDAL

A résumé of the incompetence, mismanagement, and official rascality that is just now the insistent urge for a congressional probe among the friends of the system and that is being desperately resisted by its political parasites. Price, flexible covers, 50 cents; cloth, \$1; postpaid. Almost ready.

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The human-interest story that the home life on our farms is daily telling; how farm-loan policies and Washington politics have broken down hopes, destroyed family circles, sent discouraged sons of the soil to the gangs and farm daughters to the streets; how spanning it all is a loving faith that "makes no demands and offers no atonements save those of its own everlasting trust." 500 pages, illustrated, \$3. Nearly ready.

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A study of the economic necessities in agriculture; why the Federal reserve banks and the current commercial system can not serve them, and wherein the Federal farm loan system has shown weakness. Now in preparation.

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#### THE FARMER AND HIS LAW

The story of the Federal farm loan act and its amendments; the history, purpose, and general effect of each. Rosy dreams, subrosa efforts, subway legislation. While well advanced in preparation, this volume will not appear for some months.

#### PLAYING CHESS WITH ANDY

The humorous side in a hard battle of wits for control of the land banks that the farmers bought and paid for and in which they have been outwitted only a part of the time. Stories that official records do not tell. In preparation.

#### THE WRITER

of the new farm finance series has lived on a farm for more than 60 years; an active worker for the Federal farm loan system since its first trying organization days.

Before the land banks were located, organized the third national farm loan association to be chartered in Pennsylvania. Served for three years as secretary-treasurer, the first year without pay. Is still a member.

Resigned when official rascality began to outcrop. As a free lance and at his own expense took up a systematic study of the management, often handicapped and threatened by hostile officialism.

Spent months of hard work and several hundred dollars in trying to get abuses corrected through the officials of the system.

Has since been urging the correction through Congress. Any of the following numbers of the CONGRESSIONAL RECORD on file in any good public library contain evidence of this:

March 12, 1928, pages 4776-4779.

March 24, 1928, pages 5481, 5483.

April 25, 1928, pages 7460, 7470, 7473.

May 2, 1928, page 7893.

May 9, 1928, pages 8506-8507.

May 21, 1928, page 9683.

January 28, 1929, page 2318.

Though not a supporter of the present farm-loan management, always an ardent friend of the act and of the ideals behind it so long as he believes that the Federal farm loan system can be salvaged for the farmer.

#### SOME FIRST PRINCIPLES AND SOME COMMON DELUSIONS

By J. H. Beal, Urbana, Ill.

Thomas Jefferson perhaps never spoke more truly than when he said that free institutions could not be permanently retained without frequent recurrence to first principles.

The force of this observation is apparent when we compare some present-day theories of the proper functions of government with the theories of those to whom our liberties, such as remain, owe their existence. On every side political doctrines are announced as accepted commonplaces which are totally antagonistic to the ideals to which we stand committed.

It would be thought little short of treason to speak disparagingly of the services of Washington, Jefferson, Lincoln, and others of those who established and preserved our institutions, yet we daily trample upon principles which these men considered to be indispensable to our continued existence as a free people.

To be sure we claim the right to change either the ideals or form of our institutions, but this implies that changes shall follow as the result of conscious study and reflection and not through pure wantonness, or through failure to carefully consider the institutions to be abandoned as well as those to be substituted. It implies, in short, that we shall not risk the destruction of our liberties through changes of political organization without first referring back to first principles.

#### SOUND POLITICAL INSTITUTIONS THE PRODUCT OF GRADUAL DEVELOPMENT

Sound political institutions, including systems of jurisprudence, are the gradual growths of experience rather than of sudden creation. They are more like organisms that grow by slow accretion than like mechanical structures capable of immediate construction according to a preconceived plan.

Numberless theoretically perfect systems of government, mostly of communistic or socialistic character, have been devised by dreamy philosophers, but when put into practice have invariably proved dismal failures. The only successful ones are those which have grown out of the universal experience of mankind.

There is, perhaps, no better example of the difference between political institutions which grow out of experience and those invented for the occasion than can be found in our Federal Constitution. Of the really vital things in that document, such as the separation and independence of the legislative, executive, and judicial departments of state, and the limitations placed upon the powers granted them, the members of the Constitutional Convention were not the inventors but the compilers. These and the other fundamental parts of our Constitution came to us as an inheritance from all the centuries of Anglo-Saxon and European experiments in government and jurisprudence. They were taken over almost bodily from the great charters established by the British people, from the British common law, or, like the separation of church and state, were gleaned from the experience of all European nations. What we did not inherit, however, was the machinery for putting these vital and fundamental things into operation, and this had to be largely manufactured from the beginning. It is in the operation of some of this specially invented machinery that the greatest imperfections have appeared, and in which the need of change appears, if anywhere.

#### BRINGING THE CONSTITUTION DOWN TO DATE

A common argument for changing our organic law is that the Constitution being nearly a century and a half old must necessarily be very much out of date.

"Is it not absurd," it is asked, "to imagine the Fathers of the Republic to have been gifted with such prescience as to enable them to formulate a system equally applicable to the changing needs of all future generations? Does it not inevitably follow that our highly complex social organization should require a different code of rules than that which sufficed for the comparatively simple social structure for which the original Constitution provided?"

Considered solely as abstractions these arguments seem highly reasonable, but when we come to examine the changes proposed we find that their proponents frequently fail to discriminate between provisions of the Constitution which are fundamental and permanent and those which are merely incidental and temporary.

The really vital things in the Constitution, born of centuries of human experience, are of universal application and are no more in need of revision than the rules of arithmetic. They are as valid now as the day the Constitution was adopted and will be equally valid a hundred years hence.

#### INVENTED DEVICES IN NEED OF AMENDMENT

Of the machinery invented by the Constitutional Convention this is not necessarily true. For example, the long delay between the election of a new Federal administration and its assumption of office, though perhaps justified when the means of travel were slow and uncertain, can scarcely be thought essential when the time of travel from the most distant State to the seat of government requires less than a week.

So also the means provided for selecting the President through the operation of an electoral college, instead of by popular vote, might well be changed. This device has long since ceased to function as intended, and when more than two candidates are in the field we do not know whether our next President will be the candidate who receives a plurality of all the votes cast or some one selected by a political coalition in Congress.

Prominent also among the devices which the framers of the Constitution were compelled to invent for the occasion was the method of adopting amendments. When this provision was formulated it seemed reasonable to believe that an amendment which had received the assent of both Houses of Congress and of three-fourths of the State legislatures would almost certainly represent the reasoned understanding and consent of a great majority of the citizens.

Those who framed this provision could not then foresee the wonderful propagandic devices that have since been invented, nor the modern high-pressure methods by means of which a compactly organized and strongly financed minority can drive an amendment through Congress and three-fourths of the State legislatures before the astonished electors are fairly awake to what is being done. By aid of these modern methods it may happen that the votes of possibly 3,000 citizens temporarily holding legislative office may change the fundamental law of 110,000,000 of people, without the presentment of the amendment as a fairly stated issue in the platforms upon which these Members of Congress and of the several legislatures were elected.

In such a case the citizen may well feel that even though the exact constitutional formula was followed, the result was actually obtained by a species of trickery, and that use was made of the letter of the Constitution to defeat its real intent and purpose.

Either we should change the method so as to insure the real and not merely the constructive assent of a majority of citizens to constitutional amendments, or else we should alter the maxim that "governments derive their just powers from the consent of the governed" to read that "Our Government derives its powers from such organized minorities as are able to drive a flying wedge through Congress and three-fourths of the State legislatures."

#### THE SUSTAINING PRINCIPLE OF GOVERNMENT

The sustaining principle of a government must be either the love of its citizens for the institutions which it represents or the brute force of bayonets. If force be the sustaining principle, then the direction of the government logically belongs to the side that can control the most force.

More or less latent in the minds of many good citizens is the notion that if a perfect system of jurisprudence could be devised the results of its operation would be correspondingly perfect, whether forcibly imposed upon a people or accepted voluntarily. If this theory were true, then to elevate a people of low cultural status to the rank of a highly civilized one it would only be necessary to devise a highly correct system of laws and impose it upon them by force. That this theory can not be true is evidenced by a multitude of alleged popular governments provided with all the paraphernalia of written constitutions and with elaborate systems of jurisprudence, where neither life nor property is safe and where a change of administration is practically synonymous with revolution.

The practical fact is that laws and systems of jurisprudence work toward social and moral improvement only in proportion as they are adapted to the moral habits and ideals of a people, and operate in the opposite direction in proportion as such adaptation decreases. In other words, political garments must be fitted to those who are to wear them. It is the failure to grasp this simple truth and the delusion that society can be forcibly compressed to fit a set of prescribed rules and regulations which have been mainly responsible for the enormous increase of sumptuary legislation during the present generation, and for the development of bureaucracy which has accompanied it, a development that is appalling when its full extent is understood.

#### THE CONNECTION OF BUREAUCRACY AND TAXES

A few years ago we were surprised to learn that out of every 47 of our wage-earning population one citizen was engaged in some form of

public employment. To-day we are advised upon what seems to be good authority that the number of public servants of one sort or another has increased to the amazing proportion of 1 in 12, or that for every 11 wage earners above the age of 16 years there is 1 paid public servant. Of this, the vastest horde of tax eaters that has ever existed in any country, a very considerable number have been added within the memory of the present generation to function in the capacity of official uplifters by telling the rest of us what to do, and especially what not to do. One tax consumer to every 11 wage earners, and the millennium not here yet!

The question is no longer what are we coming to, but where have we arrived?

What we have been pleased to call the high cost of living should properly be styled the high cost of bureaucracy. Before the private citizen decides to satisfy some desire, he first asks himself the question, Can I afford it? The bureaucrats having decided that something is desirable, simply obtain a tax levy and get it. We have municipalities, especially those in which so-called uplift movements have flourished, where 50, 70, or even 90 per cent of the normal annual income is required to cover the charges on past bonded indebtedness, much of it for public improvements already worn out and replaced.

It is true that we enjoy many public conveniences, but those which are really worth while and really within the province of government should have been obtained for us at a fraction of the total taxes we pay. To a large extent we have been led into authorizing lavish public expenditures by the delusion that the taxes for their payment would be collected from others than ourselves, and, like all who attempt to get something for nothing, we are learning our mistake.

Taxes and bureaucratic government are inseparably connected. The more government, the more bureaucrats; the more bureaucrats, the more taxes.

#### HEAVIEST BURDENS IMPOSED BY CONCEALED TAXATION

The reason we have been so easily deceived as to the source of the money used for public expenditures is because the heaviest taxation is not that indicated by our tax receipts but that concealed in the prices we pay for goods and services and which, it is falsely pretended, is paid by some one else.

The theory of taxation which the demagogue professes to his constituents is that attributed to the famous Robin Hood, who, according to tradition, took from the rich to divide among the poor, but, unlike that honest outlaw, the modern political bandit lays the chief burden of taxes upon the very classes he professes to relieve. In name the tax may be levied upon the rich corporation, but it is the corporation's customers who pay it.

A tax attaches to the price of the taxed product like the shadow to an opaque body—there is no separating them. Every expense that figures in the cost of an article must be figured in the selling price. When prices fail to return to the producer all of his costs and taxes, plus a reasonable margin of profit, the production of that article ceases.

In the end taxes upon commodities, service, or other accommodation must be paid out of the prices received for them. The tenant pays the landlord's taxes; the policyholders pay the taxes of the insurance companies; those who use the railroads pay the railroad's taxes. Every tax, every license fee, and every other burden imposed by the State are all assembled finally in the selling price, and the consumer pays for it all. The producer and each of the subdistributors not only collects the tax from his customers but also adds the cost of collection, until by the time the consumer is reached the original tax has been doubled or trebled.

Doubtless a more scientific and more equitable system of taxation than the present one might be devised, but it is useless to expect such a consummation as long as we are ready to accept the trivial pretense that by means of some sort of legislative hocus-pocus taxes can be collected only from the rich while the rest of us go free.

#### THE DELUSION OF SOCIAL AND MORAL REFORMATION BY STATUTORY DECLARATION

Prominent in the history of social institutions is the appearance of peculiar manias or delusions that at times have led whole peoples to strange and injurious excesses, sometimes to complete ruin.

For example, there is the cheap money delusion, periodically recurrent with industrial nations, or the notion that people's economic ills can be cured by the mere issue of strips of paper with the government's promise to pay printed thereon. A peculiarity of this theory is that it is always most attractive to those who are inevitably most injured when it is put into practice—the wage-earning class—who learn too late that big wages in poor money will not buy as much as smaller wages in good money. The higher the paper wages rise the less they will buy, until the point is reached where they will buy nothing at all, because men will not exchange things of intrinsic value for mere scraps of paper. When the delusion has worked itself out, the worthless paper tokens are nearly all in the hands of the wage earners, while the things of real value have nearly all passed into the possession of the so-called rich.

The cheap money theory has been very thoroughly exploded for this generation, but we are still in the grip of another and even more harmful delusion, namely, that all moral, social, and political evils can be



removed by the mere production of written statutes commanding them to take their departure, the falsity of which it is more difficult to expose because its results are not so intimately personal as the effects of cheap money.

The error in the cheap money theory is the assumption that since a certain proportion of token money is good for industry and commerce, a great deal more will be a great deal better in the reformation by statute theory, the error is the assumption that since a certain proportion of statutory declarations are an aid to good morals and public order, we have only to issue them in sufficiently great number in order to cure all moral and social wrongs.

Society has always been afflicted with a certain number of persons who, rejecting the reformatory force of moral precept and example, have sought to save men from their weaknesses and frailties by pure compulsion of law, but since moral uplifting has become a highly lucrative profession, what was previously a pest has become a pestilence.

The coercion of men to morality by force of statute law is pure delusion. At best it can only produce that external conformity which is pleasing to those who hate the appearance of evil more than the evil itself, or who believe an evil destroyed when it has been put out of sight.

Nearly 2,000 years ago the greatest of teachers taught that society could be saved only through the moral regeneration of its individual members, and not through the enforced observance of artificial rules regulating external conduct. For none did He have such scorn, and of none did He utter such words of condemnation as of those who multiplied laws and observances, and who would have made life to consist of a routine of formal rules and ceremonies.

Neither science nor philosophy has since proposed a better means of social and civic progress than this ancient simple faith, which we are still entitled to believe contains the one vital truth capable of saving society and civilization.

The capacity to resist evil is best developed not by physical restraint, but by teaching men and women the difference between the consequences of good and evil. There is development of neither strength nor virtue without exercise and resistance; bodily strength is developed not by rest, but by judiciously measuring it against the forces it is intended to resist; intellectual capacity not by stagnation, but by the performance of mental tasks; moral vigor by exercising the choice between good and evil.

But this is no part of the doctrine of the humanitarian crusader, who proposes to save mankind by act of legislature and to keep men in the moral path by closing up all other paths. Nearly the whole trend of our popular uplift and reform legislation is not to develop the best type of citizenship, but to coddle and develop the weakest and worst, to save the degenerate and the weakling in spite of all hazards to the normal members of society.

A leading American psychologist (Prof. William McDougall), speaking upon this subject from the biological standpoint, says: "As I watch the American Nation speeding gaily, with invincible optimism, down the road to destruction, I seem to be contemplating the greatest tragedy in the history of mankind."

Another eminent student of sociology (Irving Babbitt, *Democracy and Leadership*), says: "One may sum up what appears to be our total trend at present by saying that we are moving through an orgy of humanitarian legislation toward a decadent imperialism. . . . We are rapidly becoming a Nation of humanitarian crusaders. The present reign of legalism is the most palpable outcome of this crusading. . . . If we do not develop a sounder type of vision than that of our 'uplifters' and 'forward lookers,' the history of free institutions in this country is likely to be short and, on the whole, discreditable."

#### THE ENVY OF SUCCESS AS A CAUSE OF SOCIAL UNEASE

But the reformers of morals are not the only people who are deluded as to what can be accomplished by mere legislative action. Besides those who seek to uplift us morally and effect our spiritual regeneration by the strong arm of the law, there are those who seek to level us up economically and make everyone equal in point of material possessions by means of the same agency.

Sometimes the two classes of uplifters work together and sometimes separately, but whether together or separate, they have this in common—that their prohibitions always apply to what other people want to do, and the exceptions to what they want to do themselves. Upon this latter point the author last quoted says: "We are being gradually deprived of our liberties on the ground that the sacrifice is necessary to the good of society. If we attend carefully to the psychology of the persons who manifest such an eagerness to serve us, we shall find that they are even more eager to control us."

The basis of the thousand and one proposals to cure social and economic inequalities by law is partly mere envy of success by those who have been unsuccessful, and partly a total failure to understand the impossibility of making equal by law the things which nature has made unequal.

It requires the possession of certain capacity and the virtues of energy, industry, and self-denial to achieve reasonable success in life;

it does not require any of these virtues to envy the fruits of success. The individual whose mentality is of pick-and-shovel grade, and the degree of whose industry is that forced upon him by sharp necessity, can desire the rewards of capacity and energy as heartily as the man who has earned them. The result of the uplifter's method of treatment is not to help such incapables help themselves, but to make them sorry for themselves, to make them believe themselves the subjects of social injustice, to make recruits for those who war upon society, and to prepare the soil for those who teach that the only reason why some are poor is because others are prosperous.

We can spare charity to the incompetents, the failures, and the unfortunates, but if we permit such as these to dictate our laws and economic policies, we shall shortly all be in need of charitable relief.

#### POLITICAL VERSUS ECONOMIC AND SOCIAL EQUALITY

The theory of equality embraced in our political system is not that men are actually equal in mental or physical capacity or entitled to equality of possessions, but that they shall have equality of civil and political rights, an equal voice in the election of public servants, and an equal right to the law's protection in person and property. This was well understood by those who framed our political system, though it has largely been lost sight of by those who are futilely struggling to produce social and economic equality by legislative fiat.

We can not produce equality in fact among men because mother nature will not have it so. Deep in the heart of things is planted a law of development that produces differences in size and qualities among the cubs of every litter, among the insects of every brood, among the plants produced from every seed capsule—differences in the endowments and possibilities among the descendants of every parent, high or low. It is upon this very fact of ranging qualities that progress is possible. If all descendants of the same parent were exactly equal in all respects a race would remain the same through all time.

This law of development applies to men as much as to vegetables, or to feathered or haired livestock; it is a self-administering and self-executing law that will not be denied; regardless of acts of Congress or of State legislatures.

Start any hundred men of the same age in the same pursuit, under the same conditions, and some will win and others lose. The winners and losers live and work under the same laws, yet the losers will claim that they did not have an equal chance with the others, which is true only in the sense that nature planted the inequality in the mental or physical equipment of the individuals, and planted it so deeply that it is beyond correction by laws and constitutions.

Even Bolsheviks and Communists who seek to produce equality at the expense of quality, after wrecking civilization and wasting the accumulation of ages, wake up to find that some must lead and some must follow, that some must be at the head and some at the foot, even when standing in line to receive the charity dispensed by the economic systems they seek to destroy.

The ideal in the minds of those who planned our civil polity was to create a system under which each citizen might prosper in proportion to his individual efforts and endowments, without either special help or special coercion on the part of the State—and they very nearly succeeded.

#### THE LACK OF DUE CONSIDERATION IN THE MAKING OF LAWS

The people of the United States make use of more or less common sense in everything they do except in the making of laws, especially of the uplift or moral reformatory variety, where their failure to employ common sense is the result of the delusion that good intentions rather than technical information is the proper equipment for such tasks.

If they are proceeding to dig an isthmian canal or promote a water-power development, the first step is a thorough study of the proposition by acknowledged experts in the subject matter, and upon such studies all subsequent action is based. But if the proposition is one to bring about some great reformation in human character or behavior, the most complex and most difficult of all subjects, no such preliminary consideration is thought to be necessary. The bill, prepared by known enthusiasts, is introduced into the law-making body, referred to a committee known to be favorable and rushed to enactment with the greatest possible haste. If experts are called they are selected by the proponents of the measure; if experts of the opposition present themselves they are treated with scant ceremony, and if they become troublesome further hearings are denied upon the ground that the evil has existed for so long a time that it must now be dealt with without another moment's delay, the whole procedure being designed to force the bill's enactment as nearly as possible in the exact form in which it was introduced.

And so the measure, ill-conceived and ill-constructed, goes upon the statute books, bristling with inconsistencies and impossibilities, and the next quarter century is spent in tinkering it into workable shape.

#### THE UNEXPECTED RESULTS OF NEW LEGISLATION

A common delusion of the enthusiastic reformer is that only the predicted favorable reactions will follow as the result of his new legislation, which unhappily are rarely the reactions which do follow in fact.

The introduction into the social industrial organism of a new and complex statute is very much like thrusting a new wheel into the middle of an already complicated mechanism, or like the insertion of a new organ into the complex of an animal body—no human intelligence can tell what the reactions will be until after they have occurred; and this is in no wise altered by the fact that the statute is intended for purposes in themselves entirely laudable.

For example, who could have anticipated the almost bewildering number of reactions and of economic and social complications that have followed the placing of prohibitory alcohol legislation upon our State and national statute books?

To the public at large alcohol was known chiefly as the evil ingredient in intoxicating beverages, the abuse of which was held responsible for a large proportion of existing poverty and crime. Only to the chemist and technical worker was it known that it was woven so inextricably into the texture of modern science and the arts, that there is scarcely an individual who does not every day of his life employ, either as a convenience or as a necessity, some article in the production of which ethyl alcohol is either directly or indirectly connected. Along with its power for evil, nature has bestowed upon this body perhaps a larger measure of useful qualities than upon any other liquid except water.

The uses into which it enters in the arts are bewilderingly many, ranging from such diverse things as toilet preparations and flavoring extracts to smokeless powder and artificial silk; from the mechanic's spirit level and the mariner's compass to dyestuffs, colors, and varnishes; from philosophical apparatus to the Galenic preparations of pharmacy and the extraction of crude drugs; from common medicinal and photographic chemicals to technical chemicals of indispensable use in scientific research; from reagents used in steel manufacture to those used in the production of dress goods, there being no less than 4,000 to 5,000 different processes and products in which alcohol is used, either as a solvent or as a source of the important ethyl group, and for which neither nature nor science has produced an equally efficient substitute.

With alcohol legislation formulated almost wholly from the beverage standpoint, and with scant consideration for its myriad nonbeverage uses, it is needless to say that almost endless complications have ensued, with resulting serious injury to the arts in which alcohol is used for beneficial purposes, and with decreased efficiency of the law as a reformatory measure.

If the friends of such legislation were well advised, they would consent to its revision by a board of technical experts the members of which could be classified neither as partisans for prohibition nor as partisans against it but who would undertake their task with no other aim than to reduce the harmful effects of alcohol as nearly as possible to the zero point without interference with its multifarious beneficial uses.

#### PROHIBITION OF RIGHTFUL USE TO PREVENT WRONGFUL USE

Another delusion which, in spite of plain experience to the contrary, still persists in the minds of the law tinkers is that the wrongful use of an article can be prevented by prohibiting its right and proper use.

An example in point is heroin, a drug of rather limited use in medicine but held by many eminent therapists to be without equal in the treatment of a restricted list of affections. Unfortunately, it is also a most harmful habit-forming drug and a favorite with inhabitants of the underworld. A late report of the chief physician of Sing Sing Prison shows that, in spite of the Harrison Act, the heroin addicts admitted to that prison increased 100 per cent in 1920, 500 per cent in 1921, and 900 per cent in 1922.

Since it is admitted on all hands, and denied by no one, that over 99 per cent of the drug used improperly is obtained through smugglers and bootleggers a rational man might presume that the authorities would immediately take increased precautions against smuggling and bootlegging—and the rational man would be mistaken. Instead Congress in its wisdom and to show how wholeheartedly and constantly it devotes itself to the public welfare promptly passed an act prohibiting the importation of opium to be used in the manufacture of heroin for medicinal purposes.

To justify this action of Congress it is necessary to assume that if American manufacturers are prevented from producing heroin for medicinal purposes, smugglers will cease to bring it in for illicit purposes. That if the physician is prevented from prescribing it when, in his judgment, it is needed the bootlegger will cease to distribute it to his disreputable clients. That if the patient tossing in agony is deprived of the drug which would bring relief, the degenerate and criminal habitué will voluntarily cease its abuse. Where outside of Alice in Wonderland or the proceedings of the United States Congress could similar logic be found?

#### ADOPTING NEW LAWS AS A SUBSTITUTE FOR ENFORCING OLD LAWS

Another common delusion of the uplifter and his fellow dupes is that the adoption of a new law is an excellent substitute for the enforcement of an older one. If some previous contraption of prohibitions and penalties is quite generally ignored, the usual procedure is

to force the enactment of a second law prohibiting violation of the first one changing the old definitions, or adding new ones, and increasing the penalties. This, in expressive phrase, called "putting teeth in the law," has been the reformer's favorite occupation for many a year, but as a result of the combined dental operations to which it has been subjected our criminal code has largely become a toothless, mumbling creature that can make faces at crime but can not bite.

A type example of this style of reformation is seen in the movement to supplement the present law against concealed weapons by a new law requiring a license or permit before firearms can lawfully be possessed or dealt in, upon the theory that the magistrate will grant permits only to well-behaved people and deny them to doubtful characters, so that all such weapons will gradually pass into the possession of law-abiding citizens and the criminal classes be disarmed.

But what would be the probable facts? Some citizens would, no doubt, take out permits, while others, to save trouble and expense, would either surrender their shotguns and pistols or simply forget the law altogether; but the criminal class, the class the law is intended to disarm, would deliberately ignore the new law just as it has deliberately ignored the old one.

The new law could be made effective only by discovering and confiscating the concealed weapons and fining and imprisoning their possessors. But this is exactly what can be done under the present law, so why pass another? If the present law be enforced, a new one will not be necessary; if the police can not or will not enforce the present law, what hope is there that a more complex statute and one still more difficult to enforce would enjoy a better fate?

If manufacturers and dealers are required to register and keep a record of weapons sold, the law-abiding ones will comply, while the smuggler and bootlegger will supply weapons to all and sundry who are willing to pay the price. That this would be true is shown by the results in Ireland during the late insurrection, where the law strictly prohibited the possession of unlicensed firearms and to the enforcement of which the combined civil, military, and naval forces of Great Britain and Ireland were devoted. Yet, notwithstanding the law and the efforts to enforce it, in every ambushment and killing that occurred, and in every skirmish and battle fought by the Irish insurgents, unlicensed weapons were employed, weapons which, if the theory of the law had been correct, could have had no existence.

That the murderous use of firearms might be greatly reduced is a consummation every decent citizen must devoutly wish for, but we ought not to be asked to indorse a proposition the net results of which would be to disarm law-abiding citizens, add another regiment of bureaucrats to the civil list, create an enormously profitable business for a new class of smugglers and bootleggers, and all of this without disarming a single thug or gunman.

#### THE BASIS OF THE COMMON DISRESPECT FOR LAW

The American people are by law forbidden to do more things and do more of the things they are forbidden to do than any other people on earth. The two bear to each other the relation of cause and consequence. We have cheapened and made the laws contemptible in the same way that nations have debased their currencies, by issuing them far in excess of the basis of credit.

It has been estimated that there are over 2,000,000 statute laws theoretically in force throughout the United States and that over 62,000 new laws were passed in a single 4-year period (1909 to 1913), or at the rate of 15,000 per year. Among the things regulated are matters of such importance as the use of finger bowls in restaurants, the length of bed sheets in country hotels, and the spilling of peanut shells on the sidewalks. We may be tender with murderers, but God help the "scofflaw" who ignores the legal etiquette of finger bowls and peanut shells. There were over 13,000 bills introduced during the first session of the present Congress, and in a few months about 40 State legislatures will be in session, in each of which there will probably be introduced from 1,000 to 3,000 bills either amending old statutes or enacting new ones.

What is the basis of obedience to law? Either love of the law or fear of the law; either respect for what the law commands or fear of punishment. So multitudinous and so personal are the prohibitions of our so-called laws, and in the nature of things the risk of detection so small, that fear of conviction and punishment has largely vanished.

Respect is not a voluntary thing to be had by merely willing it; laws to be respected must be respectable. That the law was to be merely the declared will of the legislature was the last thing intended in our theory of government. This was the theory which the thirteen Colonies rebelled against.

The theory of our system of jurisprudence is that the law represents the will of a substantial majority of the citizens, which the legislature has first ascertained and then expressed in statutory form. The theory is still openly and constantly professed, and as openly and constantly ignored in practice. The prevailing method is to take the last step first, to force the measure through the legislature by intensive lobbying, and then leave it to the courts to convert the people to its desirability, and if necessary call upon the Army and Navy to secure its observance.



If one should steal genuine plates, paper, and ink from the Bureau of Engraving and print Treasury notes, the printed paper would still be counterfeit. The belief exists, and is constantly growing, that the output of piddling prohibitions from our legislatures are not genuine laws, but base imitations bearing the official stamp, the spurious products of organized minorities that have temporarily obtained control of the law-making machinery.

This is the real basis for the growing disrespect for law, which disrespect will continue to grow, in spite of the futile preaching of the duty of obedience, until there is a closer correspondence between what the law commands and the will of the people which it is supposed to reflect.

Alongside of the injunction that it is the duty of the citizen to obey the law is the equally valid corollary that it is the duty of the legislature to enact only such laws as represent the average moral and political sense of the community. These are the two halves of the contract, and every day's experience shows that one will not stand without the other.

#### WHAT WE NEED IS CHANGE OF LEADERSHIP

For years students of history and human nature have warned us that there could be only one result of placing every personal peccadillo in the category of crime; that it would make the law contemptible by making it prohibit so many things that men would not regard as wrong or that the law could not detect and punish. In turn the reformer passionately assured us that this was utterly false; that it was the plea made by wicked men in defense of their secret sins, and covertly in league with the powers of darkness.

We are now able to judge between the advocates of the two policies. With each addition to the list of crimes, and with each circumscription of personal liberty there has come a fresh outburst of criminality. Following the adoption of every panacea warranted to empty the prisons and put the criminal courts out of business we have had to enlarge our prison capacity and increase the number of courts and police officers. Sometimes the prisons are so crowded that we have to release some of the inmates without trying them, because we can't put any more of the criminals who are out of jail in until we let some of those who are in jail out.

At first we assumed that this was part of the aftermath of war, but now we find that in Great Britain and France, nations many times more deeply involved in the war than the United States, the criminal records show a regular and steady decrease in crimes of violence since that great cataclysm, the very crimes that are daily increasing with us. It is no longer possible to disguise the facts. We have arrived. We are beyond doubt the most lawless nation on earth.

What are we going to do about it? Shall we follow the leadership of those who deceived us, ignorantly perhaps, or of those who told us the truth; of those who lead us into this morass of crime and of private and public corruption, or of those who warned us plainly and fairly against it? Shall we follow those who have nothing to offer except a fresh lot of new laws prohibiting violation of the old ones, or those who would have us return to something of the simplicity and directness of our earlier criminal code, leaving the correction of manners to the teacher of deportment and the correction of personal morals to the church, and devote the efforts of the criminal courts to the detection and punishment of things which the universal conscience of mankind recognizes as offenses against society? This might leave fewer nominal crimes on the statute books, but it would give more efficient prevention and punishment of real crimes.

What we need is a recurrence to first principles, to make a renewed study of the plans and purposes of our fundamental institutions, and to discard the leadership of those who would lead us still further away from the great charters which the fathers of the Republic bequeathed to us.

#### GOVERNMENT IN BUSINESS A COSTLY FAILURE

(NOTE.—The Federal Farm Loan Bureau is a striking example of modern bureaucracy in our Government. Its membership now completely dominates the capital-stock voting power of the farmer owners—the only other such finance system outside of Russia still going—because Federal funds are pumped into its coffers to replace that which crooked politicians pilage. The address delivered by Gen. James G. Harbord before the Springfield, Mass., Chamber of Commerce April 8, 1929, shows the modern tendency, the urgent necessity of President Hoover carrying out his promises to terminate the existence of bureaucrats in our Government—a campaign promise every sane American expects him to fulfill. He may well start operations on the Farm Loan Board.)

SPRINGFIELD, MASS., April 8.—The Federal Government is encroaching upon the rights of individual States, private life, and business to an extent "not only not contemplated but actually forbidden by the Constitution," Gen. James G. Harbord, president of the Radio Corporation of America, told members of the Springfield Chamber of Commerce at their annual dinner here to-night.

More than 30 so-called "commissions" and other extra-constitutional bodies, costing in excess of \$550,000,000 annually and supporting a

small army of job holders, bureaucrats, and minor politicians, are the chief agencies of "official meddling," General Harbord said.

"These commissions, either by default of proper supervision run wild with uncontrolled power, or they become the tool of an irresponsible and somewhat unscrupulous fraction of our national legislature. Three dozen Federal commissions finding duties of executive, legislative, and judicial character outside the broad fields of those properly charged under the Constitution with those functions, leisurely but expensively seek activity which will justify their existence and secure extension and prolongation of power and life.

"No greater opportunity for official mischief through idle brains or pernicious activity has existed since Lucifer left Heaven."

In connection with the increase of Federal commissions and their growing power, General Harbord called attention to another tendency in government—the surrender of State prerogatives for Federal aid.

"As the States have developed unequally, due to difference of climate and natural resources, and sometimes to the character of their population, some have become rich and others have remained poor. Meantime the Nation has grown wealthy. States have sought Federal aid and have surrendered prerogatives for appropriations. Rivers and harbors, the extension of the Departments of Commerce, Agriculture, great reclamation projects, have been the pottage for which many States have sold their birthright."

The regulation of interstate commerce, General Harbord said, was the vehicle which brought the Federal Government into our lives to an extent not only not contemplated but actually forbidden by the Constitution.

"It is invading almost every place of the police power reserved to the several States. Our daily conduct from the cradle to the grave, including what we eat and drink, what we buy and sell, what we read, what we may see at the theaters, how our wives shall divorce us, and what we shall hunt and fish, whether we shall see prize fights and go into physical training; how our mothers shall be advised in case we are not wanted in the world, or how our arrival shall be expedited if we are desired, are all matters which now receive statutory treatment by Congress.

"The favorite instrument for such official meddling is the commission. The commission, in general, now so ubiquitous, so evasive of control and so unrestrained in its activities, first made its appearance in our system of government in the innocuous form of a commission created in the decade after the Civil War to codify the laws. This was followed by the Electoral Commission to settle the Hayes-Tilden election. Both of these were dissolved, however, as soon as their work was done. I believe this is the last time that our history, up to date, has seen the end of a Federal commission. They are, apparently, immortal."

Reviewing the conditions which caused the creation of the Interstate Commerce Commission, and tracing briefly its history, General Harbord said:

"Its power over railway affairs is to-day almost absolute in its unrestrained inquisition. No railroad may issue stock or bonds, merge with another railroad, or acquire other facilities, or take any other important step without first obtaining the authority of the Interstate Commerce Commission. It dips as far into petty detail as deciding whether an automobile tourist may take a meal in a railroad eating house.

"It has grown like Frankenstein \* \* \*. Its bureaucratic and self-perpetuating tendencies are represented by 13 different bureaus, and for their support for the fiscal year ending June 30, 1930, the commission has asked and Congress has appropriated the sum of \$7,548,825. Its powers, for long almost unrestrained, but recently received a check worse, perhaps, in the remedy than the exercise of the powers themselves. The Senate refused to confirm an apparently able and conscientious commissioner when his name came up for reappointment because his actions as a public official were not in accord with the views of certain Senators.

"Following the creation of the Interstate Commerce Commission, Congress, seldom unwilling to increase the office-holding class, established others \* \* \*. By 1923 there were 33 of these unnatural children born outside of the terms of the original marriage contract sealed by the Constitution between the States and the Federal Government, and their cost amounted to \$550,000,000 per year.

"In 1927 a notable thirty-fourth was born, the Federal Radio Commission, doomed by the officiating obstetrician to a life-limit of one year, unless extended by the act of the surgeon himself, the United States Congress. It deals with a subject interesting to every Member of the Congress because of its demonstrated political potentialities, a subject difficult, highly technical, and constantly in the public eye. Its every action has had to be taken with an eye over its shoulder at a body which, within one year was to decide on the further extension of its life. Senators and Congressmen have thought it not unworthy of their high place to try to influence its action in favor of special interests."

General Harbord defined the commission, as it exists in our Government, as a quasi-legislative, quasi-executive, quasi-judicial body.

"Created by law, it belongs neither in the legislative, executive, or judicial divisions of our Federal Government, so wisely and specifically

described and prescribed by our Constitution. Theoretically the commission is supposed to receive a supervision from the President which it is humanly impossible that he shall give. Except in certain limited cases of appeal, it has no responsibility to the judicial authority. Such control as is exercised by Congress appears to be limited to confirmation by the Senate when individuals are nominated for reappointment.

"While the population of the United States has increased only about two and a half times in the last 50 years, General Harbord said the cost of the peace activities of our Government had increased more than fourteen times, and the number of civilian employees had increased over ten times to an army of 600,000.

"Yet one of the most outstanding grievances recited against George III in the Declaration of Independence was that 'he has erected a multitude of new offices and sent hither swarms of officers to harass our people and eat of our substance.'"

There are two viewpoints, General Harbord declared, on the changing character of the Government, the diminishing powers of the States, and the absorption of those powers by the Federal Government.

"Those who foresee the fatal results of such a departure from the faith of our fathers and desire it because they wish to see our institutions overthrown and those to whom social betterment and the uplift are the principal ends of government, and who believe the Federal Government will be more efficient in such matters than the States and more easily manipulated because centralized instead of scattered, all hold one view. They wish to see the end of State sovereignty and all powers of government—police and otherwise—centralized in the Federal authority, to whom may be added the great army of commissioners, members of boards, prohibition agents, employees of bureaus, and other numerous beneficiaries of such activities.

"Against them are those who believe in the Constitution adopted by the fathers, with all its system of checks and balances preserved, and Federal and State Governments each sovereign in its own constitutional sphere \* \* \*. To them the encroachment on the State powers is not only hateful as subversive to our liberties but means the eventual failure of our Government. They look upon government paternalism as the straight path to State socialism.

"This path, once entered, leads only to State standardization of men and morals. It is the end of that individualism which has made us what we are and which has been our proudest boast."

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

A bill (S. 617) for the relief of the Fischer Flouring Mills, of Silverton, Oreg.; to the Committee on Claims.

A bill (S. 618) granting a pension to Almira T. Henry; and

A bill (S. 619) granting an increase of pension to Julia Finley; to the Committee on Pensions.

By Mr. NORRIS:

A bill (S. 620) to amend section 22 of the act entitled "An act to provide compensation for disability or death resulting from injury to employees in certain maritime employments, and for other purposes," approved March 4, 1927, as amended; to the Committee on the Judiciary.

By Mr. BLAINE:

A bill (S. 621) for the relief of certain subjects of Turkey and Bulgaria who served in the military or naval forces of the United States during the World War; to the Committee on Military Affairs.

A bill (S. 622) to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended; to the Committee on the Judiciary.

A bill (S. 623) for the relief of Joseph Abel; to the Committee on Claims.

By Mr. REED:

A bill (S. 624) to authorize the establishment of boundary lines for the March Field Military Reservation, Calif.; to the Committee on Military Affairs.

By Mr. ROBINSON of Indiana:

A bill (S. 625) granting a pension to Samuel M. Strain, jr.; to the Committee on Pensions.

By Mr. JONES:

A bill (S. 626) to create a prosperity reserve and to stabilize industry and employment by the expansion of public works during periods of unemployment and industrial depression; to the Committee on Commerce.

Mr. WALSH of Massachusetts. Mr. President, the Senator from Washington has just introduced a bill which, as I understand it, deals with the problem of unemployment and its treatment. The Senator requested that the bill be referred to the Committee on Commerce. In view of the fact that the Committee on Education and Labor has made an exhaustive study of the question of unemployment, why should it not be referred to that committee?

Mr. JONES. A similar bill was referred in the last Congress to the Committee on Commerce, and we had extensive hearings upon it.

Mr. WALSH of Massachusetts. Is this the same bill?

Mr. JONES. It is substantially the same bill.

Mr. WALSH of Massachusetts. Very well.

By Mr. JONES:

A bill (S. 627) authorizing certain Indian tribes and bands, or any of them, residing in the State of Washington, to present their claims to the Court of Claims; to the Committee on Indian Affairs.

By Mr. GOFF:

A bill (S. 628) to amend section 19 of the act entitled "An act for the retirement of public-school teachers in the District of Columbia," approved January 15, 1920; to the Committee on the District of Columbia.

A bill (S. 629) to authorize the erection of a United States veterans' hospital in the State of West Virginia; and

A bill (S. 630) granting an increase of compensation to Abbie Doty; to the Committee on Finance.

A bill (S. 631) providing for the erection of a monument over the grave of Patrick Gass, at Brooke Cemetery, Wellsburg, W. Va., a soldier of the War of 1812 and the last surviving member of the Lewis and Clark expedition;

A bill (S. 632) for the relief of Basil N. Henry;

A bill (S. 633) providing for the advancement on the retired list of the Army of Col. D. B. Devore;

A bill (S. 634) for the relief of Louis Vauthier and Francis Dohs; and

A bill (S. 635) for the relief of James Evans; to the Committee on Military Affairs.

A bill (S. 636) granting a pension to Marcellus W. Mace;

A bill (S. 637) granting an increase of pension to Eddie L. Fetty;

A bill (S. 638) granting pensions to the officers and soldiers who served in the West Virginia State troops in the late Civil War;

A bill (S. 639) granting an increase of pension to Linie Mathers (with accompanying papers); and

A bill (S. 640) granting a pension to Nathaniel Ellison; to the Committee on Pensions.

A bill (S. 641) for the relief of the heirs of Jacob Harshbarger, deceased;

A bill (S. 642) for the relief of R. P. Biddle; and

A bill (S. 643) for the relief of Sada S. Goode; to the Committee on Claims.

By Mr. GEORGE and Mr. HARRIS:

A bill (S. 644) to authorize an appropriation to reimburse the State of Georgia for expenditures in the repair and reconstruction of roads and bridges damaged or destroyed by flood; to the Committee on Post Offices and Post Roads.

By Mr. WATSON:

A bill (S. 645) for the relief of Charles E. Reyburn; to the Committee on Claims.

By Mr. BRATTON:

A bill (S. 646) to amend paragraphs 18, 19, and 20 of section 400 of the transportation act, approved February 28, 1920, and all acts amendatory thereof and supplementary thereto; to the Committee on Interstate Commerce.

A bill (S. 647) authorizing surveys and investigations to determine the best methods and means of utilizing the waters of the Cimarron River system and its tributaries in southwestern Colfax County, N. Mex.; to the Committee on Irrigation and Reclamation.

A bill (S. 648) granting a pension to Annie L. Haynes;

A bill (S. 649) granting a pension to Harry A. Murphy (with accompanying papers); and

A bill (S. 650) granting a pension to Daniel Armijo (insane); to the Committee on Pensions.

#### AMENDMENT TO CENSUS BILL

Mr. WAGNER submitted an amendment intended to be proposed by him to the bill (S. 312) to provide for the fifteenth and subsequent decennial censuses and to provide for apportionment of Representatives in Congress, which was ordered to lie on the table and to be printed.

#### INVESTIGATION OF FEDERAL PATRONAGE

Mr. GEORGE. Mr. President, out of order, I ask unanimous consent to submit a resolution, which I ask may be read by the clerk.

The VICE PRESIDENT. The resolution will be read, as requested.

The Chief Clerk read the resolution (S. Res. 42), as follows:

Resolved, That the investigation authorized and directed by Senate Resolution 193, Seventieth Congress, as modified by Senate Resolution 330, Seventieth Congress, relating to Federal appointments, shall be



continued and completed by the Senators appointed as a subcommittee of the Committee on Post Offices and Post Roads for the purposes of such investigation, notwithstanding any changes in the membership of such committee.

Mr. McKELLAR. That is the patronage committee, I suppose.

Mr. GEORGE. Yes.

The VICE PRESIDENT. Is there objection?

Mr. BLEASE. I object. I will state my reasons if the Senator wants to know. I am willing to state them now.

Mr. GEORGE. No; that is not necessary. I ask that the resolution may go over under the rule without prejudice.

The VICE PRESIDENT. The resolution will go over under the rule.

#### LAW ENFORCEMENT

Mr. ROBINSON of Indiana. Mr. President, a few days ago the senior Senator from Washington [Mr. JONES] delivered an address at the Euclid Avenue Baptist Church, of Cleveland, Ohio, on the subject of law enforcement. Because the address is timely and contains much of interest, I think it ought to be printed in the RECORD; therefore I ask unanimous consent that that may be done.

The VICE PRESIDENT. Without objection, it is so ordered. Senator JONES said, in part, at Cleveland, April 9:

In his inaugural address President Hoover said, in part:

"The duty of citizens to support the laws of the land is coequal with the duty of their Government to enforce the laws which exist. No greater national service can be given by men and women of good will who, I know, are not unmindful of the responsibilities of citizenship, than that they should by their example assist in stamping out crime and outlawry by refusing participation in and condemning all transactions with illegal liquor. Our whole system of self-government will crumble either if officials elect what laws they will enforce or citizens elect what laws they will support. The worst evil of disregard for some law is that it destroys respect for all law. For our citizens to patronize the violation of a particular law on the ground that they are opposed to it is destructive of the very basis of all that protection of life, of homes, and property which they rightly claim under other laws. If citizens do not like a law their duty as honest men and women is to discourage its violation; their right is openly to work for its repeal."

This is a clear and concise statement of the rights and duties of American citizens. No honest man will deny its truth. It ought to appeal to the best in every American who believes in, and wants to adhere to, the fundamental idea of this Republic. This is a Government of law and not of license. This is a Government of liberty under law as the expressed will of the majority. The prime element of good citizenship is obedience to, and observance of, the law of one's country.

We denounce anarchy and condemn Bolshevism, and yet there is more danger to our institutions and our liberties from our disregard of law than from anarchy and Bolshevism. That which should now appeal to every good citizen, that which is greater, even, than prohibition, great as that is, is law observance. Every good citizen realizes this, knows it, and should not hesitate to stand for it.

Americans pride themselves on being good sports. This is the time to show it. The will of the majority has been expressed in no uncertain way. It should be obeyed and observed until it is changed in the way prescribed by our fundamental law.

I talked with a Senator the other day. He said that before prohibition he had drunk his champagne and his highballs and enjoyed them, but that since prohibition he had drunk none and would not drink any so long as the law stands. That spirit is the essence of good citizenship.

A few years ago we were honored with the presence of General Foch, the commander in chief of the united armies in the World War. He came from a country whose habits and customs are different from ours. He doubtless had lived according to those customs. He knew of our prohibition law—at the banquets he attended he refused to drink intoxicating liquors. Why? He gave us the reason himself. He said that so long as he was in the United States he proposed to observe the laws of the United States. This same attitude was taken by a great Italian general and also by a famed Japanese general. What a wonderful example to American citizens!

It is charged that Senators and Representatives drink liquor. This is given by many of those opposed to prohibition as an excuse for drinking. There are some Senators and some Representatives who drink. I regret it. They and those who hold office and have taken a special obligation to obey and maintain the Constitution and the laws of the land, especially, should do so. Their failure, however, does not excuse any citizen for violating the laws of his country. In my judgment, a far fewer number of Senators and Representatives drink now than did 20 and 30 years ago. I have seen far fewer Senators under the influence of liquor during the last 10 years than I did during the preceding 10 years. They will get fewer and fewer as the years go by.

I have received many letters of late asking if Congressmen are excepted from the laws to enforce prohibition. Of course not. No

exceptions whatever are made in the law and no exceptions should be made in its enforcement.

It is commonly said by those opposed to prohibition that many Congressmen vote "dry" while they drink liquor. That is no valid argument against prohibition. I am sorry that it is so, but this just emphasizes the strength of the sentiment of the people back home. Instead of showing a weakness in prohibition sentiment it demonstrates its strength. Representatives are, primarily, to represent the majority views of their constituents, and that is what many of them do regardless of their personal views. No man, however, no matter what position he may hold under the Government, should disregard his solemn oath and violate the law of the land, even though the majority sentiment of his district or State may approve such a course. He should set such an example of law observance as will command the respect of every genuine citizen and give no man an excuse to disregard any law of his country.

Is it possible that there are good citizens who fear that if they and other good citizens would scrupulously obey the law the benefits would be so great and so apparent that there would be no hope of modifying or repealing the law? That was suggested by a prominent newspaper writer a few days ago. No man has ever yet pointed out what good the drinking of liquor does to anyone, except, possibly, in some cases of sickness or poisonous snake bite. The majority of good and reputable physicians declare against its use as a medicine. That question is not involved in prohibition, however, because its use as medicine is not prohibitive. Good citizens deny themselves nothing of benefit by observing the law. Is it possible that they will set an example of disregard of law for the transient pleasure of drinking? One of the big business men of this country publicly declared some time ago that so long as prohibition is the law of the land he proposes to observe it, at least while he is within the jurisdiction of his country.

I saw a few days ago that a bill had passed the senate of one of our States requiring that the evils of alcohol should be taught in the public schools. That is a wise step in the right direction. The eighteenth amendment was adopted only after 50 or more years of educating the people of the various States as to the evils of intoxicating liquors; its wastefulness, the poverty it brought, the happiness it destroyed, the sorrow it led to, the criminals it made, the murders it caused, the corruption it encouraged, the devastation, the degradation, the suffering, the evils it wrought to individuals and to society were pointed out and exposed. The ineffectiveness of license laws, local option, and statewide prohibition were demonstrated and brought national prohibition. I am afraid we thought then the work was accomplished and looked solely to the National Government for enforcement. There should be, and there must be, cooperation upon the part of municipal, county, and State officials with the national force. The friends of prohibition must concentrate their influence to bring this about. Then we will see the goal in sight. The same sentiment, the same activity, and the same power that brought about the adoption of the eighteenth amendment can, when properly directed, lead city, county, and State officials to uphold the law or put men in who will. The national administration is headed right. It is under the leadership of a man who believes in the supremacy of the law and the duty of every good citizen to observe it. What is needed is cooperation with the national administration by local and State officials. These officials will give this cooperation when they believe in it, or when they believe their power and their position depends upon their doing it.

Prohibition is not a partisan issue. It ought not to be such. There are substantially as many good prohibitionists in one party as in another. It may become necessary to have a straight-out party fight with prohibition and its enforcement the major and almost the sole issue. When we do it will not be between Democrats and Republicans—it will be between the party of prohibition and law and the party of antiprohibition and antilaw. That may have to come. If it does, I have no doubt as to the result and the decisiveness of it.

You hear and read much about the Jones-Stalker Act. There is much interest in it. Some may not understand it; some fear it. Those opposed to it seek to deceive the people as to its scope and meaning. A common statement by many who know, or ought to know, better is that under it a school boy, merely having in his possession a half pint of liquor, may be arrested and fined \$10,000 and sent to the penitentiary for five years. That strikes many as severe, and without reflection or knowledge they are inclined to object to the law on this ground alone. Such a statement gives an absolutely false impression.

A person may possess a gallon, or any other amount of liquor, and not be subject to this act at all. This act does not deal with the mere possession of liquor by anyone or in any way. Possession of liquor is not mentioned and no penalty is prescribed by the act for such possession. This act deals only with the manufacture, the sale, the transportation, the importation, and the exportation of liquor for beverage purposes. These are the express prohibitions of the eighteenth amendment itself. The mere possession of liquor, no matter how much, is not dealt with in any way.

This act simply amends the Volstead Act by making the maximum penalty a \$10,000 fine, or five years in the penitentiary, or both such

fine and imprisonment. The penalty actually inflicted under it may be \$1 or one day in jail. The judge may impose any penalty below the maximum he deems just. Those lawyers and others who denounce the penalty or fear unjust penalties reflect upon the humanity, wisdom, and justice of our judges rather than upon the severity of the law. These lawyers know that there are few, if any, criminal acts passed which do not repose discretion in the judges; it is absolutely essential to mete out justice that such discretion should be given to a judge. The friends of prohibition and law enforcement have more ground to complain of its leniency and the large discretion given to the courts. Judges are, in the main, merciful and sympathetic, as well as just and learned men. If they err at all, it is more apt to be on the side of leniency than on the side of harshness. Furthermore, no just prosecutor is going to ask the court for an unjust and unreasonably severe sentence, and if a harsh and unjustly severe penalty is inflicted from caprice or a desire to discredit the law, the pardoning power can and will intervene.

There are those who make a regular business of bootlegging. There are those who seek to commercialize the violations of the law. Such are entitled to no mercy and should be beyond the sympathy of those who oppose prohibition as well as those who favor it. These are the law violators that this act is primarily aimed at. They deserve no mercy except as the facts warrant. The judges know this. They will hear the testimony, learn the facts in any particular case, and can be depended upon to impose a just penalty.

As an extra precaution, and to make perfectly plain the real purpose of this act, it is declared in the act to be the intent of Congress that the judges shall distinguish between occasional and trivial violations of the law and regular bootlegging and attempts to commercialize violations of the law. In my judgment, this declaration is not needed at all, but it was adopted to remove the fears of some that harsh penalties might be inflicted for minor violations.

A coterie of young lawyers in New York City are said by the press to have formed an association pledged to offer their services to defend poor and indigent persons charged with violations of this law. They do not need to do that. The courts can, and do, appoint lawyers now to defend paupers and indigent offenders, no matter what crime is charged. Why do these lawyers make this grand-stand play? Are they afraid of this law? Have they reason to doubt the wisdom and humanity of the judges of New York or of any other city? Do they want to discredit the law because they fear that they may be deprived of their liquor? Is this sudden generosity of their time and ability for the protection of some trivial minor offender or some poor man so depraved or poverty stricken that he can not resist the temptation to dispose of a pint of liquor for a little money, and who will be dealt with by the court in a humane and lenient way, or is it really in the hope of so discrediting the law as to aid their bootlegging friends and insure themselves a supply of liquor in violation of the law that they have solemnly sworn to uphold and maintain? Why don't they have the courage to come out openly and boldly for the repeal or modification of the eighteenth amendment? They have just as much right to do that as I have to support whatever measures are deemed necessary to enforce that amendment.

The President of the United States stated clearly, plainly, and bravely the duty and the privilege of these attorneys and of every American citizen when he said, "If citizens do not like a law, their duty as honest men and women is to discourage its violation; their right is openly to work for its repeal."

These young lawyers, if they do what the papers say they propose to do, violate the oath they have solemnly taken, encourage and abet law violations, and repudiate and undermine the basis upon which rests the stability and perpetuity of this Republic and the rights and liberties of our people.

The Jones-Stalker law is no whim of the few. It was not passed without study and careful consideration. One of the ablest committees of the Senate is the Judiciary Committee. This bill was referred to it, hearings were had—it was reported to the Senate and considered, debated, and discussed four or five days. A roll call was had on its passage and 65 Senators voted "aye" and 18 Senators voted "no." The bill went to the House, was there referred to its able Judiciary Committee, favorably reported, and by order of the Rules Committee brought up, discussed, and the only roll call had on it showed 284 for it and 90 against it. I did not pass this law. Congressman STALKER did not pass it. Congress passed it, and by a vote of more than three to one.

The opponents of prohibition are hard put to for argument to sustain their position. Crimes committed against the prohibition law are charged to prohibition. Only the thoughtless and prejudiced will accept such argument. Crimes committed by bootleggers, murders committed by those violating the law, murders committed by drunken men, and deaths and injuries inflicted by those under the influence of liquor are charged to prohibition, when prohibition, in fact, seeks to do away with such heinous deeds and does actually prevent many of them. These crimes are committed by those who are against prohibition, not by those for it. They are committed despite prohibition, not by it. One might with as much reason say that thievery is caused by the law against stealing.

It is said that prohibition interferes with personal liberty. This was urged not long ago by a prominent United States Senator on the floor of the Senate—he seemed to really think this to be true. On the contrary, prohibition promotes and preserves personal liberty. Those who oppose prohibition seem to take the position that personal liberty gives you and me the right to do as we please regardless of the rights of anyone else. There is no such thing as personal liberty in this country in the sense that one can do as he pleases. We have liberty, personal liberty, but it is liberty under law. You and I can do what we please so long as we do not interfere with the rights of others or violate laws passed for the protection of individual rights. No man has the right in this country to do what the law says shall not be done. There is no more deadly foe to personal liberty than the liquor traffic. It has no regard or respect for the rights and liberties of men, women, or children. The drunken man more than anyone else interferes with the liberty of others. How often have you met a drunkard staggering along on the sidewalk and felt compelled to step aside rather than have a personal encounter with him. Whose personal liberty is interfered with in such a case? Bootleg liquor makes drunken auto drivers who run into peaceable people doing what they have a perfect right to do. Property is destroyed, men and women are injured, the lives of innocent children are taken. Their personal liberties are taken from them—by whom? Not by prohibition or its supporters, but by the enemies of prohibition. I can not comprehend the reasoning of able men who claim to be for personal liberty and denounce prohibition as taking away one's personal liberty. Such seem to be interested only in the liberty of the drinker and not in the liberty of the sober, innocent, helpless, and law abiding. They seem to be concerned about permitting men to demonize themselves, and to have no concern for the innocent women and children who may, and often do, become the victims of demonized husbands and fathers. Prohibition seeks to preserve the liberty of the innocent and to prevent the demonization of otherwise good and tender-hearted men. You often see in the press that a child has been run down and killed by an automobile driven by a drunken driver. Whose liberty has been invaded and whose rights unjustly taken in this case? It was a common occurrence before prohibition to see accounts of drunken husbands striking down innocent wives and dashing out the brains of helpless children. Is that the sort of personal liberty people of this country want? No; the day of that is gone, never to return in this country.

Prohibition should appeal to our people independently of its effects from a moral standpoint; from a purely business and selfish standpoint it should have their support. We have developed a wonderful civilization. It is becoming more and more dependent upon mechanics for its support and progress. Machines of great power, delicacy, and speed that contribute to our needs and daily wants and comfort require the careful guidance of sober operators as never before, not only for the perfection of products but for the safety of operators, passengers, and travelers. There is no place in our national life, whether in business or pleasure, where safety, carefulness, and efficiency are not imperative to-day. Greater efficiency is required of workers and laborers in every phase of our economic life as never before. About 30 years ago the officials of our great railroads ordered that no engineer or fireman should take a drink or even enter a saloon. Why? To save train wrecks, prevent damages, and save lives. It worked so well that the rule was eventually extended to all their employees. Soon banking officials issued orders that bank employees should not go into a saloon or drink intoxicating liquors, especially during banking hours. This order rested upon a sound business basis and cut down defalcations, promoted better work and better service for the public. Years ago many of our most noted lawyers after a long, hard case drank to excess. When big business came into existence the noted lawyers who drank and were liable to talk too much were quickly dropped and those who did not drink and babble were placed in charge of these large interests.

Nobody professes to want the saloon back. If we have intoxicating liquors they must be sold somewhere. What difference does it make what the place is called? If available under law it would be served in some way or another along our streets and along our roads where all could get it. More than 20,000,000 automobiles and trucks—and the number is increasing rapidly, every one an engine of death—would pass by places where liquor would be sold, and every drinking driver would be a menace, bringing death and injury to countless thousands. They would endanger your life and mine and the lives of our wives and children. Do the employers of the thousands of truck and bus drivers, carrying millions of people, want intoxicants freely at hand along streets and highways? Their business depends largely upon carrying people safely. Are they willing to risk ruin by damages resulting from killed and injured passengers and travelers that they may gratify their appetites for something that does them no good physically or otherwise? Do you want to buy an airplane or automobile built or O. K'd by intoxicated workmen or inspectors? We are all interested in that phase of this question, regardless of our personal views on prohibition. Employer and employee should for his own material benefit seek for economic industry and public safety. The public welfare as well as individual interest demands this. By prohibition no one is depriving anyone else



of anything of value or that will do him or the country any good, but we are seeking to prevent that which can not help but injure many, directly or indirectly, in the factory or on the roads and streets and permanently increase the perils of travel.

Most of the millions formerly expended for liquor are now spent for better homes, better schools, higher education, automobiles, and other comforts and luxuries, creating better business, demanding more labor, and bringing increased happiness to the great mass of the people. We have increased by 11 per cent the number of children in our grade schools, by 66 per cent the number in our high schools, and by 77 per cent the number in our colleges and universities. The return of liquor selling means less business, fewer and poorer homes, less education, fewer automobiles, and more misery, poverty, and suffering. Let those who resent the interference with what they may term "personal liberty" reflect upon these things and ask themselves whether their own interest and own property, their own money, and their own standing in the community will not suffer by the breaking down of the law which they now resent. Business efficiency, protection of life and liberty, the happiness of the home, the joy, comfort, and safety of women and children, the effectiveness and happiness of labor, the development and expansion of business, the public welfare, and public safety, are all promoted by prohibition.

Some say there is more drunkenness to-day than ever before. Figures of all sorts can be produced for and against this assertion. This statement can not be sustained when all the facts are honestly considered. Massachusetts is often cited to show that drunkenness is on the increase. How is it done? Charts are made up showing arrests made for drunkenness in different places. It is easy to take the arrests in a rapidly growing city and, by not correcting for the growth in population, to show that arrests for drunkenness are increasing. An able gentleman made up a chart from the annual reports of the commissioner of corrections of Massachusetts, showing the facts relating to the entire State. This chart shows that, taking the State as a whole, arrests for drunkenness are steadily decreasing. This is another significant fact that fair-minded people should consider; while the great dailies gladly publish a full page of charts showing special cases where arrests for drunkenness increased, they refused to publish similar charts showing that in the State as a whole such arrests were decreasing. The great newspapers of the country should be fair to the people in discussing a matter of such vital importance as this. To refute the assertion often made, however, I appeal solely to you on personal knowledge and experience. You and I may not go about places where drunks are apt to be but we go about now as we always have. I know that I do not see one drunken man now where I saw a half dozen when we had liquor under law. I have been over the country a great deal during the last year and the number of drunks I have seen can be noted on my two hands.

It is urged that the control of the liquor traffic should be left to the States, that those who want it should have it, and those that do not want it should be permitted to exclude it. We had this system before the eighteenth amendment was adopted. Because of its failure, the eighteenth amendment was necessary. The liquor traffic can never be confined to any one State or any half dozen States. If you permit its manufacture and sale in one State, the liquor interests will invade every other State in the Union. If there ever was a question in need of solution by constitutional amendment it is the question of dealing with the liquor traffic. To temporize with it is to continue it. To permit it in one locality is to encourage lawlessness and bootlegging everywhere.

The Canadian system is pointed out as the model way to deal with the liquor question. The liquor boards of the various Provinces in Canada are authority for the following facts that show the futility of this method from the standpoint of the friends of prohibition: In Canada the liquor traffic controls the Government rather than the Government controlling the liquor traffic. Liquor is bought in Ontario at the rate of a million gallons a week. In Alberta 4,000,000 gallons were sold in the second week of so-called Government control. In Quebec, beer sales increased a million gallons over the preceding year; and in seven Provinces, with a population of 10,000,000, \$160,000,000 a year were spent for liquor. In British Columbia the sales of hard liquor increased 50 per cent, while in Quebec there was an increase in the sale of hard liquors of over 32,000 gallons; and in Saskatchewan the sale of hard liquor increased 33 per cent in two years. In Alberta 60,000 permits were granted the first year and two years later over 140,000 permits were granted. In Ontario over 220,000 permits were issued in the first four months. Drunkenness certainly has not been avoided or diminished. Police Commissioner Burton, of Manitoba, says: "If all the drunks were arrested, there would be no room for them in jails." According to the Saskatchewan Liquor Board, arrests for drunkenness increased 125 per cent in the first eight months. The Toronto Star says that all records for inebriates were broken when 89 Labor Day celebrants faced Magistrate Cohen; and, according to the Montreal Star, drunkenness among women increased 53 per cent.

What about bootlegging—does government control avoid that? The Alberta liquor board says "Our greatest problem is moonshine in the country districts, and the Saskatchewan liquor board says "Bootlegging

increased 111 per cent the first year"; according to the British Columbia Liquor Board, as much liquor is sold by bootleggers as is sold in the Government stores. As a matter of fact, instead of the Government controlling liquor in Canada, liquor controls the Government.

Of course, we would like to stop bootlegging; but the bootlegging of liquor will never be stopped so long as there is any restriction whatever upon the liquor traffic. You know, and I know, and everybody knows, that the liquor interests want no restrictions. They will violate all that are made. They always have done so and they always will. It is better to have only the bootlegger than to have him and the legalized traffic, too.

If you make the sale and manufacture legal, you can not prevent the buying of it by anyone. You can not confine its sale to the temperate and affluent. If you seek to do that, bootlegging will flourish as never before and the conditions of to-day will be but a gesture of what they would be then. Nothing short of prohibition will ultimately reduce this traffic to the minimum.

My friends, I have pointed out some of the objections urged against prohibition and what I deem sufficient answers to them. No one can measure the joy, the comfort, and happiness that it has brought to millions of men, women, and children, and to thousands of homes in the land. No one points out, and no one can point out, any real benefit or good that liquor as a beverage has brought to anyone. From the standpoint of the individual, the home, public safety, and good government, prohibition is of incalculable benefit to the Nation.

#### ORGANIZATION AND WORK OF THE SENATE

Mr. SHEPPARD. Mr. President, I ask to have printed in the RECORD an address broadcast by the senior Senator from Iowa [Mr. STECK] from radio station WRC, on Friday, April 5, 1929, on "Organization and Work of the Senate."

The VICE PRESIDENT. Is there objection?

There being no objection, the address was ordered to be printed in the RECORD.

Senator STECK spoke as follows:

Few people know how the United States Senate is organized and how it does its work. Everyone reads of legislation passed, but few know how it was done. We read speeches made in the Senate, some really great, some instructive, nearly all interesting, others made only for publicity purposes and home consumption. But little is known of the enormous amount of work accomplished nor is credit usually given to those Members who do most of the real work.

The Senate is organized along political lines. The Vice President of the United States is President of the Senate, and as Presiding Officer addressed as "Mr. President."

The Senators are seated according to political affiliation. The Republicans to the left of the Vice President and the Democrats to his right, divided by a wide aisle. Each Senator has his individual desk, and desirable seats are occupied according to length of service. Thus most of those with many years of service are seated along or near the center aisle.

The part of the Chamber occupied by the Members slopes toward a pit at the back of which is the Vice President's desk, raised two or three steps above the floor.

To the right of the Vice President sits the Sergeant at Arms of the Senate, David S. Barry, who has been in Washington since he was appointed a Senate page in 1875.

To the Vice President's left sits the Secretary of the Senate, Edwin Pope Thayer, a colonel during the Spanish-American War, and sergeant at arms of the Republican National Committee for 16 years.

Directly in front, and a step below the Vice President, are the Senate clerks, including the Chief Clerk and reading clerk, Mr. John C. Crockett, whose advice, eagerly sought and cheerfully given, has guided Presiding Officers for 21 years, and whose ability, character, and friendly helpfulness has endeared him to all Senators.

There too sits Mr. Charles L. Watkins, whose title is minute and journal clerk, but who as parliamentarian of the Senate has decided questions of parliamentary procedure for many years.

To the left of the Vice President sits C. A. Loeffler, and to his right Edwin A. Halsey, whose titles are assistant sergeant-at-arms, but who are, respectively, the Republican and Democratic confidential floor men and pair clerks. They are two of the most valuable, efficient, and respected members of the Senate staff, both with years of service.

In front of and below the clerk's desk are the reporters who, working in 15-minute relays, take in shorthand every word spoken during a session. One of these, Mr. T. F. Shuey, is the dean of the Senate staff, with 60 years of continuous service.

The Senate pages sit around the bottom steps to the right and left of the Vice President. Fine, clean, bright boys 14 to 16 years old, always alert for a signal that some Senator wants their services, then, at a snapping of Senatorial fingers, darting through the desks in answer.

When a session of the Senate opens after an adjournment the Senate Chaplain, the Rev. Z. B. Phillips, offers a prayer from the Vice President's desk, everyone standing.

A President pro tempore is elected by the Senate who is of the majority party and who succeeds the Vice President in the event of a President's death. Senator Moses, of New Hampshire, now holds that position.

The Secretary and Sergeant at Arms are also of the majority, and elected by the Senate. The Chaplain is elected by the Senate, but, so far as I know, his political affiliation is not inquired into.

Each party has a floor leader elected in party caucus, also a party whip. At the last general election the two Senate floor leaders were the two candidates for Vice President. Senator WATSON, of Indiana, has been chosen by the Republicans to succeed Senator CURTIS, and Senator JOE ROBINSON, of Arkansas, was reelected by the Democrats. Senator FESS, of Ohio, is the Republican and Senator SHEPPARD, of Texas, the Democratic whip.

The foregoing is a description of the Senate in session as one may see it from the galleries.

The real working bodies are not generally visible. They are the 33 standing committees of the Senate. Each Senator is a member of three or more committees. He is assigned to his committees by his party committee on committees or steering committee. A Senator may request that he be put on certain committees, but assignments are determined by the party committees.

Committees are, like the Senate itself, organized on political lines.

The majority party in the Senate has a majority on all committees, and the chairman is usually that member of the majority party with the most years of service on the committee.

When the committees are in session the members of each party sit together and in order of their service on the committee.

At the proper time during a session a Senator may rise and offer a bill. The bill is then referred to the committee which is authorized to consider the subject matter of the bill. Before it is considered it is usually referred to that department of the Government whose functions embrace the subject matter of the bill for an opinion.

When this is received the bill is laid before the committee for consideration. The Senator sponsoring the bill may appear and witnesses be heard, then in closed or executive session the committee determines by majority vote whether to make a favorable or unfavorable report and whether the bill shall be reported as introduced or with amendment. Whatever the decision, the report is made by a member of the committee, and the bill goes on the Senate calendar.

Once on the calendar, its future is determined by its general importance and by the interest taken by one or more Senators.

If considered of sufficient importance, the majority party steering committee may give it preference and it is made the unfinished business, which position it usually holds until passed or rejected. If not given this preference, it will be called when the calendar is before the Senate.

This may be under Rule VIII, when bills and resolutions that are not objected to by any Senator are taken up in their order and each Senator is entitled to speak once and for five minutes only upon any bill or resolution. But the Senate may upon motion and despite objection proceed with such consideration.

Or the bill may come up when the calendar is being called under a unanimous-consent agreement, when an objection by one Senator will prevent its consideration.

Bills originating in and passed by the House of Representatives coming over to the Senate are handled in the same way as those originating in the Senate.

Appropriation bills, which must originate in the House, are given preference for consideration. All other bills must follow the regular course.

When a bill passed by one House is amended in the other it is sent back. If the bill as amended is not satisfactory to the originating House the bill is sent to conference; that is, three members of the proper committees of each House, appointed by the presiding officer, meet together and try to reach a compromise. If this can be done, and it usually is, report is made by the conference committees of each House of the agreements reached, which report is nearly always accepted.

The passage of a bill may be defeated, and is always delayed, by a filibuster conducted by one Senator or a group of Senators.

A filibuster is waged by using all sorts of parliamentary tactics to delay a vote until the sponsors of the bill are compelled to let it go over.

One filibuster lasted for 28 days before it wore out and the bill passed.

On one day, during a filibuster, the roll was called 36 times. As a roll call takes about 10 minutes, 6 hours were taken up.

According to the rules of the Senate, a Senator having obtained recognition may hold the floor as long as he continues to speak.

Robert La Follette, sr., of Wisconsin, holds the record. During a filibuster he spoke for 18 hours and 20 minutes, but he was interrupted many times by other Senators and did not speak continuously.

Senator REED SMOOT, of Utah, holds the record for continuous speaking. He spoke for 11 hours and 35 minutes without stopping, and, it is said, without once changing his position at his desk.

During a filibuster the Senate is in continuous session, with no stops for sleep or meals.

Filibusters are possible under Senate procedure because there is no rule limiting debate or requiring a Senator to confine his remarks to the subject before the Senate.

Efforts have been made to adopt a rule limiting debate. Notably Vice President Dawes's effort during his four years as Presiding Officer, but as the Vice President has no voice in debate and no vote except in case of a tie, he met with no success in his attempt to convert the Senate, although as he said in his swan song inaugural day, he went out of office unchanged in his own opinion.

Probably a great part of the people believe such a rule should be adopted, but the fact is that a limitation would preclude a minority party from bringing many important matters to the attention of the country, and the Senate is the only public forum remaining where the minority has the right of free and unlimited debate.

The Senate must, by a two-thirds vote, ratify all treaties with other nations which have been entered into by the executive branch of the Government before they are effective. These hearings are usually in executive session for fear some remark made in discussion might offend the other contracting governments.

The Senate must confirm all presidential appointments, from Cabinet members to the smallest post office, except where the Congress has vested the appointment of inferior officers in the President, the courts, or heads of departments. The hearings on confirmations are also in executive session.

During executive sessions the galleries are cleared and the doors closed, no record is kept of discussions, and Senators are not permitted to reveal what was said or how Members voted.

Many Senators believe that there should be no closed sessions; that all proceedings should be open to the public. It is doubtful if any good is accomplished by closed sessions, as everything seems to get to the press anyway. Just how is not known.

However, one good reason for closed sessions, if there be no other, is that with the galleries empty and the press excluded there are fewer and shorter speeches and the transaction of business is greatly expedited.

There is not time to give more than an idea of the work done by individual Senators.

Of the hundreds of letters to be answered.

The many callers, friends, lobbyists, and jobseekers.

The calls on heads of Government departments on behalf of a constituent.

The constituent who needs railroad fare and who may or may not be honest.

The three or four committee meetings a week of from 2 to 4 and 5 hours each.

The vast amount of reading he must do to keep informed on pending legislation.

The work he may be doing on some bill he intends to introduce or has introduced.

Speeches to be prepared for the Senate and in answer to the many outside calls.

All this, and more, outside his attendance at sessions of the Senate.

Taken all in all, a Senator who takes his duties seriously is an extremely busy man, spending more hours on the job than typical men in any other profession.

And practically all the Members of the Senate do take their duties seriously and are honestly and conscientiously giving their best to their State and country.

#### HEARINGS BEFORE COMMITTEES

Mr. DENEEN. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably, without amendment, sundry resolutions giving authority to various committees of the Senate to hold hearings. They are in the usual form. I ask unanimous consent for their immediate consideration.

There being no objection, the resolutions reported by Mr. DENEEN were read, considered by unanimous consent, and agreed to, as follows:

A resolution (S. Res. 9) submitted by Mr. KEYES on the 18th instant, as follows:

*Resolved*, That the Committee on Public Buildings and Grounds, or any subcommittee thereof, is authorized during the Seventy-first Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

A resolution (S. Res. 10) submitted by Mr. ODDIE on the 18th instant, as follows:





A resolution (S. Res. 35) submitted by Mr. WATSON on the 23d instant, as follows:

*Resolved*, That the Committee on Interstate Commerce, or any subcommittee thereof, be, and hereby is, authorized during the Seventy-first Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

#### TARIFF HEARINGS

Mr. McNARY obtained the floor.

Mr. HARRISON. Mr. President—

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Mississippi?

Mr. McNARY. I yield.

Mr. HARRISON. In the reading of the various resolutions I did not hear a resolution pertaining to the Committee on Finance. It may be that such a resolution has already been adopted. May I ask the Senator from Utah if it has been? Perhaps the Senator from Utah believed it would be unnecessary to have hearings when the tariff bill came over here, but I wondered whether he had abandoned the prospect or thought of passing any tariff legislation.

Mr. SMOOT. We are not going to follow the plan that was adopted by the Democratic Party in 1913. We are going to have some hearings. We are not going to choke the Democrats off, as the Republicans were in 1913, from any consideration of the bill before it reaches the Senate. I want to say to the Senator that I expect there will be a tariff bill passed at this session of Congress.

Mr. HARRISON. This is the first time the Senator has been negligent in getting a resolution through providing authority for holding hearings by the Finance Committee.

Mr. SMOOT. Oh, that is all the Senator knows about it. I had it passed at the last session of Congress.

Mr. HARRISON. That was my question, if a resolution had already been passed.

Mr. SMOOT. Certainly; at the last session of Congress, the same as I have had one passed at every session of Congress.

Mr. HARRISON. It pertains to this session of Congress also?

Mr. SMOOT. It does; and the reason for that was because I did not know just what might come up in the meantime, and I wanted to be in a position where I could call the committee together even if we did not have an extra session of Congress.

Mr. HARRISON. I am glad to get the information from the Senator from Utah.

Mr. McKELLAR. Mr. President, I should like to ask the Senator from Illinois a question, if the Senator from Oregon will yield to me for that purpose.

Mr. McNARY. Certainly.

Mr. McKELLAR. Are all these resolutions in the usual form?

Mr. DENEEN. Yes, Mr. President. They are all in the usual form.

Mr. FRAZIER and Mr. REED addressed the Chair.

The VICE PRESIDENT. Does the Senator from Oregon yield; and if so, to whom?

Mr. McNARY. I will yield first to the Senator from Pennsylvania, and then I shall be glad to yield to the Senator from North Dakota.

Mr. REED. Will the Senator yield to me to address a question to the chairman of the Committee to Audit and Control the Contingent Expenses of the Senate?

Mr. McNARY. I am glad to yield to the Senator for that purpose.

Mr. REED. I would like to ask the Senator, as chairman of the committee, why it should be necessary for all of the committees to come in this way at the beginning of each Congress with separate resolutions? The result is that we run up a bill of several hundred dollars for printing when the whole matter could be covered by a standing rule of the Senate. I would like to ask the Senator if he knows of any reason why the matter of hearings should not be covered by a standing rule?

Mr. DENEEN. No; except the precedent. Our committee receives the resolutions and acts on them as they are sent to us.

Mr. REED. The resolutions are all in the same form, are they not?

Mr. DENEEN. They are in practically the same form.

Mr. REED. And every committee has such a resolution introduced in each Congress?

Mr. DENEEN. Yes.

Mr. SMOOT. They are the same, with the exception of the resolution pertaining to the Finance Committee. That is a little different in form from the regular form of resolution.

Mr. KENDRICK. Mr. President, I desire to ask the chairman of the Finance Committee a question, if the Senator from Oregon will permit me.

Mr. McNARY. I yield to the Senator from Wyoming for that purpose.

Mr. KENDRICK. I desire to ask, in response to requests that have reached me, whether there will be any public hearings on the proposed changes in the tariff?

Mr. SMOOT. Mr. President, in answer to the Senator from Wyoming I will state that the majority members of the committee at a meeting held a week ago Monday, I think it was, decided that there should be no regular open hearings, but—

Mr. SIMMONS. Mr. President—

Mr. SMOOT. Just a moment until I finish. I should like to answer one Senator at a time.

We decided at that time that there would be hearings by the committee; that if a Senator or Representative desires to have anybody come in and be heard, they could come in and be heard. But we do not want the 11,000 pages of testimony already taken in the House repeated in the Senate. If that were done we would not get any bill here until along toward fall.

Mr. KENDRICK. Then, as I understand the Senator, the plan is to give opportunity for at least a reasonable presentation of appeals to be made to the committee?

Mr. SMOOT. Yes; and if there is anything new that has not been heard by the House—and we are going to use the House hearings as a part of our hearings—we will be glad to hear it. If anything new has developed with reference to any item since the House hearings or different from that which was presented in the House hearings, we are perfectly willing that those persons should be heard.

Mr. SIMMONS. Mr. President—

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from North Carolina?

Mr. McNARY. I yield.

Mr. SIMMONS. I did not understand that at the meeting referred to by the chairman of the Finance Committee the committee did reach any conclusion with reference to the matters he discusses. It is true that the majority members of the committee indicated the course that they wished to pursue. It is true that the chairman indicated clearly his views upon that subject. But it is also true that the minority, there being present only three members of the minority at that time, indicated to the committee that they desired an opportunity to confer before they assented to the suggestions made by the majority. My understanding was that we agreed to that course, so that nothing has been definitely settled as yet. I understood the majority did not desire general hearings. I understood the majority did not desire, however, to preclude any member of the committee from asking and obtaining a hearing as to any specific item in the tariff.

Mr. SMOOT. Or Senator or Representative.

Mr. SIMMONS. Yes; or Senator or Representative. But I understood the majority desired that the hearings which were had at the suggestions of Senators or Representatives should not be open hearings; that the proceedings should be in the nature of executive hearings. To that we did not assent; from that we now dissent.

Mr. SMOOT. I want to say to the Senator, so that there will be no misunderstanding—

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Utah?

Mr. McNARY. Mr. President, I can not yield interminably. The matter is foreign to the business before the Senate, but I will yield for a brief period.

Mr. SMOOT. So that there may be no misunderstanding I want to say to the Senator that all the hearings will be printed and will be placed upon the desk of each Senator. Whatever is said will be given to each Senator or Representative or anyone else who desires a copy.

Mr. SIMMONS. The Senator from Utah simply means by that that the testimony will be taken down stenographically and printed and made public, but there will be no opportunity accorded for cross-examination of the witnesses or the representatives who may speak for an industry, nor will the hearings be open to the public?

Mr. SMOOT. The committee members can cross-examine.

Mr. SIMMONS. In my judgment, and in the judgment of the minority, one of the most important matters in connection with any hearing is that it shall be public and open to the press and not simply that what the witnesses say shall be taken down and printed.



Mr. SMOOT. The Senator from North Carolina did not believe that in 1913.

PRESENTATION OF GAVEL TO THE VICE PRESIDENT

Mr. BORAH. Mr. President, I have been requested by H. A. Hamblin, representative of traveling salesmen, to present the gavel which I hold in my hand. It is contributed with all good wishes for the Vice President.

The VICE PRESIDENT. The Chair accepts the gavel with pleasure, and will also state that he has several others in reserve.

FARM RELIEF

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1) to establish a Federal farm board to aid in the orderly marketing, and in the control and disposition of the surplus, of agricultural commodities in interstate and foreign commerce.

Mr. FRAZIER. Mr. President, on yesterday the Senator from Iowa [Mr. BROOKHART] spoke at length on the farm situation. During the recent presidential campaign the Senator from Iowa was one of the ardent campaigners for and advocates of the election of Mr. Hoover for President. He campaigned in a dozen different States, especially in the agricultural States, on the supposition that something would be done for agricultural relief. He based his arguments during that campaign upon the record of Mr. Hoover as Food Administrator during the World War. At that time, as the Senator from Iowa stated on yesterday, President Hoover demonstrated beyond any reasonable doubt that he was capable of handling the food situation; that he understood what was necessary to be done in order to regulate the prices of food products and to insure that the farmer should receive the prices that were fixed by Congress for some of his products. Together with that record President Hoover, as a candidate, made certain statements as to farm conditions and what he thought should be done.

The Senator from Iowa campaigned throughout the fall for Mr. Hoover on that basis and did effective work, I think. Indeed, I know he did, as he came into my State and made speeches there, and was favorably received.

I, too, was out for Mr. Hoover last fall during the campaign, but I was not quite so enthusiastic, I am frank to say, as was the Senator from Iowa. There were certain things in connection with the war-time Food Administration that, as a farmer, I did not approve. The price of wheat was fixed, but the prices of farm machinery and other commodities which the wheat farmers had to buy were not fixed, and they went skyward. Farmers were compelled to pay more than double the amount for their equipment that they had previously paid. That brought the price of wheat, even at the fixed price, below the cost of production in a great many cases, and it worked a hardship on the farmer. I am strongly of the opinion that had not the price been fixed on wheat it would have gone higher than it did; that we would have gotten a better price for that commodity; that the farmers would have been more prosperous, and that that action, together with the deflation that came on afterwards, helped to bring about the present deplorable condition of the farmers.

So I was not strong for Mr. Hoover, but in the campaign I in-dorsed him as between the two candidates. In my campaign speeches I gave my reasons for so doing. As between the two candidates, I thought that Mr. Hoover was the better choice. So I came out openly for Mr. Hoover, though I had a great deal of opposition from my farmer friends in North Dakota because of the attitude of the Republican National Convention at Kansas City last summer.

Quite a large delegation of farm union members and some others from North Dakota went to that convention at Kansas City. They were insistent upon having in the national Republican platform a plank which they thought would insure agricultural legislation at the next Congress. In fact, they were so insistent that they were—well, they were considered a nuisance, and I was told that the police force of Kansas City were called out to quiet those farmers and show them their place.

Mr. SMOOT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. TOWNSEND in the chair). Does the Senator from North Dakota yield to the Senator from Utah?

Mr. FRAZIER. I am glad to yield.

Mr. SMOOT. I think the statement which the Senator from North Dakota has just made is unfair. When the farm delegation came to Kansas City the committee on resolutions was in session. When they came to the hall they came in a perfectly orderly manner. No one at all objected to them coming in. There were some few words that I could not hear said among them, but I do not think they uttered a single solitary word which was in any way disrespectful.

Mr. FRAZIER. No; I do not think they did.

Mr. SMOOT. I was chairman of the committee on resolutions. I rose and said no doubt they had some members of their delegation who desired to speak as their representatives, and if they had, I would be delighted to have as many of them as they wanted come up on the platform and speak as long as they wished. I think five of them came up; they spoke as long as they wanted to speak, said just what they wanted to say, and then the delegation went out in an orderly manner. That is the history of it, no matter what may have been reported otherwise.

Mr. FRAZIER. So far as that phase of the situation is concerned, I think the Senator is correct; that is the report that I received; but later on I was informed that the policemen did keep the farm delegation away from the convention hall; at least they were not allowed to attend the convention and were turned down on the propositions which they presented which had to do with farm legislation as set forth in the previous national platforms of both of the old parties. At any rate, the farmers went home from that convention very much dissatisfied. They were convinced that they had been snubbed in the face and were not going to get anything at the hands of the great Republican Party. They even sent delegates down to Houston, Tex., to the Democratic National Convention, where they received apparently better treatment and succeeded in getting a plank in the Democratic platform which was more to their liking.

The delegates came back home and advocated openly throughout the State that the farmers should vote for the Democratic nominee instead of for the Republican nominee. These people by the way were all my friends; they had been my friends in the past because I belong to their group. They are farmers, as I was before I became mixed up in politics. I was sympathetic with them and they were sympathetic with me; but in this instance they were very much displeased because I came out for Mr. Hoover as between the two candidates.

As I have indicated, I had some difficulty to square myself with the farmers, especially those who had attended the Kansas City convention and those who had gotten reports of what had occurred there; and practically all of them over the State had obtained reports from some of the boys who had gone to Kansas City. I explained briefly why I was for Mr. Hoover; that I felt that he had the ability, judging from his record as Food Administrator during the war time, to handle great problems; that he had the ability to work out a solution of the farm problem if he was honestly interested, and I thought from his statement that he was; that I did not like some of Mr. Smith's connections—his Tammany connections, for instance—and his wet record, and that consequently I had chosen to advocate the election of Mr. Hoover instead of Mr. Smith.

In explanation of my attitude I told a story during the campaign that, perhaps, it would not be out of place here to repeat. I did not want to be unfair or try to sail under false pretenses or anything of that kind, so I told them the situation was a great deal like that illustrated by the story of an Irish judge who had just heard a case in his court and was making his charge to the jury. He said: "You will notice, gentlemen of the jury, that in this case there is a wide difference of opinion. The attorney for the plaintiff has made a very strong, forceful, and positive argument for his client. If you believe the attorney for the plaintiff, it is your duty to find for the plaintiff. On the other hand, the attorney for the defendant has made an equally strong, forceful, and positive argument for his client. If you believe the attorney for the defendant, it is your duty to find for the defendant; but," he said, "if you are like me and do not believe a darn word that either one of them has said, then it is up to you to decide the case for yourselves." I told the farmers that was a great deal the way I felt about it. I had given my reasons for my position, but that it was up to them to vote as they saw fit.

The result was that North Dakota was carried by Mr. Hoover by a fair majority, although there was quite a lot of money bet during the campaign that the State would go for Mr. Smith.

I admire the frank statement made yesterday by the Senator from Iowa [Mr. BROOKHART], in view of the attitude which he took—and honestly took—during the campaign, in standing here on the floor of the Senate and making the statements that he did. In my estimation, it took a great deal of courage, and I think he is entitled to much credit.

I had greatly hoped that President Hoover meant what he said in his campaign speeches and that something would be done that would be worth while for the farmer, but, judging from some of his recent statements, in his message to the Congress and in the letter to the chairman of the Committee on

Agriculture in opposition to the debenture plan, I have been forced to the conclusion that Mr. Hoover could not have meant what he said in his campaign addresses in regard to agriculture.

In his message he referred to the fact, as the Senator from Iowa pointed out yesterday, that—

With the creation of a great instrumentality of this character—

Speaking of the Federal farm board that he proposes to have set up—

of a strength and importance equal to that of those which we have created for transportation and banking, we give immediate assurance of the determined purpose of the Government to meet the difficulties of which we are now aware, and to create an agency through which constructive action for the future will be assured.

That statement, as I see it, can not be interpreted to mean anything other than that it was the President's purpose to do for the farmers what the Esch-Cummins Railroad Act and the Interstate Commerce Commission have done for the railroad companies. What have they done? They have taken into consideration all the expenses of the railroad companies, including the watered stock in their capital, and then have given authority through that law, passed by the Congress of the United States, to fix tariff rates for the railroads that will give them a fair profit over their expenses on their investment, including their watered stock.

In the letter the other day to the chairman of the Agricultural Committee the President said that we must not do anything like passing the debenture plan, because, he said, it would stimulate overproduction if it reflected to the farmer the amount of the debenture, of which he was doubtful. That surprised me, because, if the President believes that the board that he himself is to appoint can not reflect back to the farmer the 21 cents a bushel that would be paid on export wheat, Mr. Hoover has not much faith in the board that he is to appoint; and if he has no faith in it, I am afraid no one else would have. A board with authority such as that board would be given certainly could see to it that the producer of wheat or cotton or any other product that was exported, if we had this debenture plan, would get every cent of the debenture provided for in that bill.

The President, however, states in his letter to the chairman of the Agricultural Committee that if the debenture plan did work, if it did reflect the price back to the farmer, then it would stimulate overproduction. In my estimation, that is the most childish argument that could be made. According to the best figures we can get, during the past few years the farmers have lost approximately six and a half billions of dollars each year on their farm products. In other words, they have sold their farm products for six and a half billion dollars less than the cost of production during the past few years. That is to say, if the farmers are to be put on a paying basis, if they are to be given the cost of production and a fair profit, they must receive six and a half billion dollars more each year for those products than they have been receiving during the past few years.

But the President says that will cause overproduction and will defeat the very purpose of the bill. The fact that the Interstate Commerce Commission gives the railroad companies a fair profit on their capital and cost of operation has not been the means of building many more railroads during the past few years; and if there should be an overproduction of farm products there undoubtedly are ways to take care of it.

Under the Canadian wheat pool regulations the farmer who is a member is obliged to pool his wheat with his organization. It is hauled to their own elevator or some local elevator. The wheat is shipped to the Canadian wheat pool. The wheat pool pays the farmer a certain percentage of the value of the wheat that day—about 70 or 75 per cent, as I recall, of the value of the wheat. Then the wheat is taken by the organization in this wheat pool and sold to the best possible advantage in an orderly market, spread out over weeks and months.

When the wheat is finally all sold, not later than the close of the grain year, the farmer is paid the balance of the amount due him on his wheat. They even keep out about 2 cents a bushel, as I recall, for educational and organization work.

The same plan could be used, especially in regard to our surplus of cotton or wheat, if we had Government warehouses or warehouses controlled by this Federal farm board. They could take the cotton—the surplus cotton, at least—and hold it there, paying a part, say, 75 per cent of the world market at that time, and hold the balance, and, after selling it, pay the farmer whatever they got out of it.

Mr. SMITH. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from South Carolina?

Mr. FRAZIER. I am glad to yield.

Mr. SMITH. I was interested in the statement that the Senator said was contained in the letter of the President to the chairman of the committee, that if the debenture plan worked it would increase the price, and an increased price would stimulate production. Is not the logic of that that anything that would raise the price would likewise stimulate production? And is not the logic of that to leave the situation as it is or to lower prices in order that there may not be overproduction, and thus leave the farmer in his present condition or worse?

Mr. FRAZIER. I can not see any other conclusion that can be drawn from it.

Mr. SMITH. I submit that neither Members of this body nor parties elsewhere should attempt to force us into any such illogical position as that. If farm relief means anything, it means raising the price of farm products. If raising the price of farm products is going to cause overproduction, then we are doing a futile and an unpatriotic thing to stand here and talk about a problem which in its essence is, in one word, the unprofitableness of the present prices of farm products. They are too low. If we raise the prices it is said that we stimulate overproduction, and the farmers' last condition is as bad as or worse than the one he is in now. We admit that the one he is in now is tragic and disastrous, and we propose to tell him that we are going to increase his price by a ledgerman and a subtlety that will not invite increased production, and the method by which it is proposed to do that is not apparent. It is not written anywhere.

I wish the Senate would just face this issue as it is. Do we want to raise the price of farm products, or do we not? If we do, and if we are sincerely in earnest, it will not take us long to find some means by which to do it. We have found means to raise the price of our industrial products, and have established a supremacy in the world as to their prosperity, their vast volume of wealth, and their power to control their business even though the Government were to withdraw its support. If we are in earnest, we can do this thing. If we are not, let us quit.

Mr. FRAZIER. I think the statement of the Senator from South Carolina is very logical and very apt at this time. The sad part of it is that while the President advocates a Federal farm board with a very wide latitude of authority, so far as I have been able to determine, he does not suggest anything that will meet the present emergency that the farmers are in. In my estimation, if the debenture plan were put into operation—and it was left optional with the board—if put into operation it would tend to meet the emergency that exists at the present time to the amount at least of half of the tariff on the imports; and that would help some.

I have here a letter from the president of the Chamber of Commerce of the United States. I presume all of you got the same letter. It is dated March 28, and is on the agricultural question. Naturally, the chamber of commerce are interested in the agricultural legislation. The president of the organization goes on to tell about what the directors of the 1,500 chambers of commerce and trade associations around over the Nation have been doing to study the farm situation and to try to reach some sort of a conclusion as to the remedy that should be advocated, and so forth. Some of the statements are quite interesting.

Here is one paragraph:

For the purpose of dealing with pressing, and oftentimes emergency, problems in the field of agriculture, we favor the creation of a Federal farm board—

That sounds quite natural. Everybody is for a Federal farm board now—yes, even the Chamber of Commerce of the United States—

the members to be appointed by the President of the United States, and charged with considering the problems peculiar to agriculture and submitting its conclusions and recommendations to Congress from time to time.

That perhaps would ultimately work out to the advantage of the farmers; but, Mr. President, an emergency exists. In the year 1926, according to the figures of the Department of Commerce, 2,155,000 farmers and members of their families left the farms in the United States. In the next year, in 1927, according to the statistics of the same department, 1,900,000 farmers and members of their families left the farms. They have been leaving the farms in the last five or six years at the rate of about 2,000,000 a year. They are leaving them because they can not make ends meet; because they have been starved out; because they have to go somewhere else to try to make a living for their families. An emergency exists; and if we are going to wait for a Federal farm board to work out the situa-



tion—which will undoubtedly take several years—and report back to Congress from time to time, as the president of the chamber of commerce suggests, millions more of farmers are going broke and out of business in the meantime, and by the time they get a system worked out there will be a system for the chain farms that undoubtedly will be organized.

I had a letter just a day or two ago from a friend out in the State of California—

Mr. SIMMONS. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from North Carolina?

Mr. FRAZIER. I am glad to yield.

Mr. SIMMONS. The Senator spoke about the number of people who are leaving the farm because farming has become unprofitable. I should like to ask him, when they do leave the farm in the Senator's section of the country, what becomes of the farms? Is there any market for it?

Mr. FRAZIER. Absolutely none.

Mr. SIMMONS. What becomes of it? Does it go into the hands of tenants?

Mr. FRAZIER. Sometimes it is rented. Sometimes the man who owned the farm rents it from the man who foreclosed on it.

Mr. SIMMONS. Then it means a change from farm ownership to tenant occupation?

Mr. FRAZIER. Yes; and it means a great many vacant farms, too. Before the World War we had no vacant farms in North Dakota. They were all farmed. There was some raw land, of course; but practically all the farms that were under cultivation were farmed every year. Now, a good many of them are vacant.

Mr. SIMMONS. So if that process goes on in the Senator's country, as it is going on rapidly, probably very much more rapidly in my country, it will not be long before our farm lands are cultivated by tenants instead of being cultivated by farm owners?

Mr. FRAZIER. That is the situation exactly.

Mr. SIMMONS. And that is a most serious situation; is it not?

Mr. FRAZIER. I think it is. I think it is serious enough to warrant drastic action by the United States Congress at this time to meet that emergency.

I started to speak of a letter I received from a friend of mine in California. He has lived out there for some five or six years, and has a little poultry ranch near one of the large cities. He tells me that he is making a living, but there is no money in it. He said that just a few days before that they had had some sort of a community meeting largely of farmers and fruit growers there, discussing the farm situation. That was the problem that was uppermost in their minds.

He said that from a comparison of notes by various members at that meeting, neighbors of his in that locality, it appeared that some of them had been foreclosed on, or some of their neighbors had been foreclosed on, and they had left the country. He mentioned the Bank of Italy. He said that if things kept on as they were, the Bank of Italy would soon have a chain of farms throughout California just as the Penny Store Co. has a chain of stores now. It seems as if that is what we are coming to, farming on a chain plan. Farms now are being foreclosed on by big insurance companies and big banking interests or money lenders. They state that they are going to get good workers and farm the land.

At a bankers' association meeting in my State only a couple of years ago a member of a small bank got up and asked a question of one of the speakers, a very prominent banker. He asked him what the banks were going to do with the land they were forced to take in because the farmers could not make their payments. This banker said they did not need to worry about that. He said in substance:

When we get this land, we will have to get the immigration laws repealed and let in some of those foreign people who are good workers, who are willing to get out and work from daylight to dark on the farms. They can make a go of it. That is all that is necessary. Then we will get the agricultural college to work out a scientific system of crop rotation, and we will insist that those men we employ use that scientific system, and we will get along all right.

Senators, if that is what we are coming to, we will have to make the best of it, but in my estimation it is a serious situation, and one so serious that we should pass drastic legislation at this time that will meet the emergency and save our own farmers.

I want to read further from this letter of the president of the chamber of commerce. He is talking about cooperative

organizations, and says that probably cooperative organizations are a good thing and the farmer should have them, but—

in view of our membership's commitments in other directions, this commitment in favor of cooperative marketing is to be interpreted as meaning that the chamber advocates measures in support of cooperative marketing that are not discriminatory against other forms of private enterprise.

Mr. President, that is the whole trouble; it is impossible for Congress to do anything for the farmer without stepping on the toes of some special-privilege class for which we have legislated in the past. That is the whole trouble. As long as the Members of Congress, as long as the President of the United States, are willing to bow to the financial interests, and let them demand what they want and what they do not want, the farmers are not going to get anything that is worth while.

This gentleman goes on:

So essential does our membership consider adequate protection of agriculture for bringing greater stability to that industry, that recently it reaffirmed its commitment to include those branches of American agriculture subject to destructive competition from importations of foreign agricultural products and of benefit to any considerable section of the country.

During the hearings before the Committee on Agriculture of the Senate there appeared a gentleman from the State of California by the name of Mr. Horst. He was a business man and a large landowner out in California; he had wide experience in business and also in farming. I had lunch with him while he was here and enjoyed very much his description of the situation out there and his testimony before the committee.

The day we had lunch together he was talking about the amount of land he farmed there in California, and he said he hired men who were good workers. He did not have any white-collared foremen or engineers to run his ranches; he had men who would work, who knew what the farming game was and were willing to work themselves. On some farms they were doing fairly well, because they controlled the product from the time it was produced until it got to the ultimate consumer, and in that way they got fair prices for some of their stuff.

He mentioned the name of a big firm out there who had some very fine fruit-farming land, and he said, "Do you know, they came to me and wanted to rent some of those very fine fruit farms to me, and I finally took them; and what do you suppose the rent was?" I told him I did not have any idea what it was. He said, "I will tell you. I did not pay any rent at all. Under the contract, for the first three years I was not to pay the owners of those fruit farms a single cent. After the third year I was to pay them a percentage of the profits if there were any." That shows how profitable it is to farm and raise fruit out in the great State of California.

In the testimony before the Committee on Agriculture Mr. Horst, in talking about the tariff situation, made this statement:

One of the leading commercial exchanges of the United States recently came out with a recommendation to remove the obstacles in the way of importation of raw materials. Yet the only raw material that it can possibly refer to is the raw material of competitive American farm products.

Mr. Horst told me himself that the man who made that statement was the same president of the United States Chamber of Commerce who wrote this letter to which I have just referred, and he said he knew Mr. Butterworth quite well and wrote him, but did not get any reply, wrote him a second time and did not get any reply, and then went to see him the first time he came here, but did not get any fair explanation about the matter. Now, the United States Chamber of Commerce are advocating putting a little tariff on the competitive farm products that are imported. I read another paragraph from Mr. Butterworth's letter:

In spite of the handicaps which have beset American agriculture during the past eight years, it is most encouraging to review the records of those farmers who have met these challenges successfully and have made increasing progress.

Yes; any farmer who has met the situation existing during the past eight years and still has his head above water should be congratulated, of course. The chamber of commerce apparently takes the attitude that it is a question of the survival of the fittest, and if the farmer can not work out his own salvation and can not keep his head above the ground, let him go under. That seems to be the system the chamber of commerce is advocating.

When people talk about the farmer working out his own salvation, it should be remembered that it is impossible, under

the handicaps he has to work under at the present time, the handicaps placed against the farmer by the United States Congress in passing special-privilege laws for the great interests which now control the markets in which the farmer is compelled to sell. If Congress would wipe out the special-privilege laws now on the statute books for the railroads, banking interests, the manufacturing interests, the Steel Trust, the oil interests, and the rest of the great interests, and curtail their great wealth and give us an equal chance, then perhaps the farmer could work out his own salvation; but when he is mortgaged as the average farmer is, when there are laws protecting the special-privilege interests, as we have them to-day, passed by the United States Congress, and with the opposition that the farmers have in organizing cooperative organizations, it is impossible, with those handicaps, for the farmer ever to work out his own salvation.

Mr. SIMMONS. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from North Carolina?

Mr. FRAZIER. I yield.

Mr. SIMMONS. I would like to ask the Senator if the beneficiaries of our tariff system, the great manufacturers of this country, who, whenever we are making a tariff bill here, ask for high protection, do not in their arguments asking for that protection admit that they can not do what the Senator says the farmers should do—take care of themselves?

Mr. FRAZIER. Certainly they admit it.

Mr. SIMMONS. If they do not admit that unless the Government comes to their rescue they will be overwhelmed by foreign competition and that they can not withstand that competition and prosper and live, and therefore they are asking help from the Government. Are they not in many instances the men who are opposing this relief for the farmers of the country?

Mr. FRAZIER. I think that is very true; I think they are opposed to it, but unjustly so.

Mr. SIMMONS. Are they not the very men who are saying we should let the farmer work out his own salvation?

Mr. FRAZIER. That is true.

Mr. SIMMONS. And survive or perish without any assistance from the Government, while they themselves admit that they can not work out their salvation unless the Government gives them what they call "ample protection"?

Mr. FRAZIER. Of course, the whole theory of the tariff system is the imposition of a tariff on manufactured products representing the difference between the cost of production abroad and the cost of production here in the United States owing to the difference in the cost of labor and the difference in the cost of the raw materials. I think the theory is all right if it will apply all around, but if it will not apply all around, it is all wrong, and under the present conditions it does not apply to the farmers as it does to the manufacturing interests.

Senators will remember that right after the war wages in this country were high, having gone up to quite a high point during the war time, and raw materials were also higher, but over in the European countries they had just gotten through with the great war, the people were broke, the nations were broke, men and women were going hungry. They were willing to work for any kind of wages, at any job they could get. The factories were getting their raw materials very cheaply, and the wages they were paying were very low, and they were manufacturing products over there and sending them to the United States, paying the tariff, and underselling the American manufacturers.

What happened? The great manufacturing interests came here to the United States Congress and said, "We must have a higher tariff in order to save our industries." They got an emergency tariff law—I ask the Senator from Indiana if that is not correct—to take care of the situation, to raise the tariff on manufactured products so that they could compete with those foreign interests that were underselling them under the circumstances, and that emergency tariff, the highest that has ever been placed on manufactured products, is still in existence, or practically the same rates are still in existence.

Mr. WATSON. Mr. President, will the Senator yield?

Mr. FRAZIER. Certainly.

Mr. WATSON. The Senator addressed a question to me. I have no desire to interfere with his splendid speech, which I am enjoying, but if he referred to the emergency tariff my recollection is that the emergency tariff was agricultural.

Mr. FESS. Yes; it did not have anything else in it at all.

Mr. WATSON. It was at that time to relieve the exceedingly distressed condition of agriculture that we enacted the emergency tariff law, and it had nothing in it, as I remember it, but agricultural items. I call my friend's attention to that fact. I have no desire to appear to be at cross purposes with

many of the things the Senator is stating, but with that one proposition I do desire to differ.

Mr. McMASTER. Mr. President, if the Senator will yield, while it is true that the 1921 tariff act was called an agricultural emergency act, the manufacturers were here in 1922—

Mr. WATSON. They were.

Mr. McMASTER. And accomplished everything the Senator from North Dakota just now said they accomplished. When agriculture was here, in 1922, asking for certain schedules upon agricultural products, they were denied those schedules, and in many instances the schedules they did receive were much less than the schedules for which they asked.

Mr. WATSON. I want to make just this statement, if the Senator will permit me, to my friend from South Dakota.

Mr. FRAZIER. I yield further.

Mr. WATSON. The Senator in his remarks referred to the emergency tariff and addressed the question to me, and I was simply answering to the effect that the emergency tariff was agricultural. It is quite true that in 1922 the tariff was agricultural and industrial both. That year the Committee on Finance picked up literally the emergency tariff rates and embodied them in the tariff act of 1922, with some additions. Of course, it is true, I will say to my friend, as he well knows, that in 1922 we did incorporate rates on all industries that we thought needed tariffs that were adequate to protect them in accordance with the doctrine of protection. I have no quarrel with the statement of the Senator, because I think what he said is literally true. We did attempt to protect both agriculture and industry in that bill.

Mr. McMASTER. The point I want to make is that while you included the agricultural schedules in the tariff act of 1922, you did not give the farmers all the schedules asked for. That is the point I am making.

Mr. SMOOT and Mr. SHORTRIDGE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from North Dakota yield further; and if so, to whom?

Mr. FRAZIER. I yield first to the Senator from Utah.

Mr. SMOOT. In answer to the Senator from South Dakota I want to say, and I said it on the floor of the Senate numerous times when the bill was up for consideration, that the rates in the tariff bill of 1922 were handed to the committee by the then Senator from Idaho, Mr. Gooding, who represented the farm bloc of the Senate, and those rates were put into that bill and adopted.

Mr. McMASTER. I showed here in the debate a year ago last winter that the agricultural representatives were not given what they asked for. They asked for certain rates. The Senator from Utah was one of the men who denied the rates the farmers asked for at that time. He said the then Senator from Idaho, Mr. Gooding, was on the floor of the Senate representing the agricultural interests. The Senator from Idaho made a speech an hour or two hours in length in the Senate asking for a tariff on hides and it was denied. He was the man who was making the request on the floor of the Senate. All of the requests and desires of the farmers were not complied with, and even if he was there representing and submitting those requests, they were not complied with.

Mr. SMOOT. The Senator refers to one item and that is a tariff on hides. On that question we had a vote in this body. The duty on hides was voted against by the Senate. I voted with the Senator for a duty on hides.

Mr. McMASTER. Yes; and the milkmen were before your committee and you denied the requests they submitted. The Senator from California [Mr. SHORTRIDGE] made a speech of an hour here appealing for an increased duty on eggs. Was it granted? Not at all. It was denied.

Mr. SMOOT. We gave the same rate on eggs that was given in 1921. That is what was asked and they got it in the emergency tariff.

Mr. McMASTER. They did not ask that in 1922.

Mr. SHORTRIDGE. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from California?

Mr. FRAZIER. I yield.

Mr. SHORTRIDGE. May I recall the fact that the protective-tariff Senator from South Dakota [Mr. McMASTER] introduced a resolution in this body asking for a general reduction of tariff rates? I personally am what might be called a high-protective-tariff man. I recall the resolution of the Senator, and he perhaps may remember that I asked him to state or to designate one item in agriculture on which he thought the rates were too high. My recollection is that he declined for the moment and for all time to make reply and specify any one rate that was too high.



Mr. McMASTER. Of course, I wish the Senator from California would have stated the real language of the resolution. The resolution, as passed by the Senate, specifically asked for an immediate lowering of all excessive tariff schedules, and the whole object of the resolution was in justice to the farmers who had been denied certain rates they had asked for on agricultural products and as a protest against some of the viciously high rates that were accorded the industries of the country. We named some of those rates in the debate. We challenged the Senators who voted for the bill to defend those rates, and there was not a Senator who could defend the rates which we named in certain instances that were accorded to the industries of the country.

Mr. SHORTRIDGE. They had been defended amply and conclusively, and the Senate had ratified the rates as reported. But I do not want to appear inaccurate. I still repeat that the debate took on a wide range, and in the course of it I inquired of the Senator from South Dakota if he would name any one rate on agriculture that was too high, and he declined to state.

Mr. McMASTER. Certainly I declined to state that any rate on agriculture was too high, because I was asking for higher rates on agriculture.

Mr. SHORTRIDGE. In what particular did the Senator, during the colloquy between himself and me, make the reply which he now makes? Not one word.

Mr. McMASTER. The record was clearly revealed at that time as to the attitude that the Congress took in reference to the requests made by agriculture in 1922. The whole debate showed that they had been denied the things they had asked for.

Mr. FRAZIER. I had not intended to get into a tariff discussion here.

Mr. SHORTRIDGE. Mr. President, may I have just one word further, please?

Mr. FRAZIER. I yield.

Mr. SHORTRIDGE. I wish it understood that I agree with the Senator from South Dakota. I think that there are any number of agricultural items on which the present rates are not adequate. I hope those rates severally will be increased. I am not now called upon to designate the ones to which I refer, but I will mention the one item of poultry, for example, and there are many others.

Mr. FRAZIER. Mr. President, I am glad to have the explanation of some of the Members who were here at the time of the so-called emergency tariff legislation. If it was called tariff legislation for emergency protection of farm products it was made necessary by the deflation brought on by the Federal Reserve Board and it was a woeful misnomer or at least it did not work out as it should, because it did not give the farmers anything like the protection that the tariff schedules give the manufacturing interests and it never has since that time.

I want to give just another paragraph of this letter from the chamber of commerce:

In order that our farmers may be supplied continually with helpful information which they can put to practical use in their farm operations, our membership recommends, therefore, that adequate appropriations be made for continuing economic and scientific agricultural research by the Federal Department of Agriculture, and for making the results of such researches available to the farmers of the Nation.

That sounds very nice. I was on a subcommittee of the Committee on Agriculture that held hearings a year ago last winter on a bill in regard to the fluctuations in the price of cotton that were purported to have been brought about by reports from the Agricultural Department containing predictions of the price and the supply of cotton. During the course of those hearings it developed that the reports sent out from the department had sometimes, at least, been untimely and incorrect; that they had resulted in a certain cotton brokerage firm cornering the market on cotton, and undoubtedly that one firm made more money from cornering the market on cotton than all the cotton growers in the United States made in the same year.

Under the present United States grain standards act, which was passed by Congress some years ago, wheat is graded not the way the farmers wanted it graded, according to its milling value, but is graded according to its weight, its color, its moisture content, the foreign material it contains, and so forth. In other words, the United States grain standards act was passed the way the millers and grain men wanted it instead of the way the farmers wanted it, and for the interest of the grain men and millers instead of for the interest of the farmer.

There is a provision in that law which authorizes the Secretary of Agriculture to change those grades at any time by giving six months' notice, I think it is, or at least a sufficient notice. Time and time again various Secretaries of Agriculture have been appealed to to change the grades, and to grade the wheat

according to its milling value, according to the amount of flour and the quality of the flour the wheat will make, and the amount of bread and the quality of bread that the flour will make. But the grades have not been changed.

For instance, under the present grading if there is above a certain amount of moisture in wheat, the wheat is graded down, perhaps, 10 or 15 cents a bushel; but the wheat is shipped down to the mill and the up-to-date mills have driers and dry the wheat. It is not an expensive process. If there is not sufficient moisture in the wheat, there is a certain amount of water sprinkled on the wheat before it is ground. In any event the wheat is all washed and scoured before it is ground in the up-to-date mills. But the farmer is penalized if there happens to be a little too much moisture in the wheat.

There is another penalty. If there is so-called foreign material in the wheat, inseparable material so called, the wheat is graded down. Up in the Red River Valley of the North they have a weed known as the King Head. It has a seed that has some four or five little points that make the top look like a crown, and so it got its name "King Head." Those seeds are about the size of a kernel of wheat, and when the weed first came in up there it was considered almost impossible to separate it from the wheat. In this grain grading the farmer who has a little King Head in his wheat has it graded down and oftentimes his wheat sells for 10 or 15 or 20 cents below the northern price because of that foreign material in the wheat. When it goes to the mills it is cleaned through their up-to-date processes with very little expense and all that so-called foreign material is taken out and the wheat is changed from low grade, as they buy it oftentimes up to dark northern, the highest grade there is; but the farmer is penalized because of these few seeds or so-called foreign material in the wheat.

Another instance: If there is a little smut in the wheat, the farmer is penalized. Sometimes certain seasonal conditions bring about a little smut in the farmer's crop and much of it goes into the wheat when it is threshed. The kernel of the smut, or smut ball as it is called, if unbroken is very light and will blow out with the fanning mill in the cleaning process to which the wheat is submitted. But if there is any smut in the wheat when it is taken to the local elevator the farmer is graded down because of that smut oftentimes 15 or 20 cents a bushel. The miller runs that wheat through his cleaning machine and blows out most of the smut. Any of it that is broken up, and which sticks to the kernel of wheat, is taken out by the process of washing and scouring through which the wheat goes before it is ground into flour. Under these Government grades the farmer is made the goat for the profit of the miller.

I merely wanted to call the attention of the Senate to these statements from the United States Chamber of Commerce, because they are the representatives of all the big interests of the United States. The President of the United States is explicit in his statement that these are not his personal views, but are the views entertained by the members of the Chamber of Commerce of the United States; in other words, he states that he is indorsing the sentiment of the great business interests of the country; and according to their statements they are opposed to anything that will give the farmer equal opportunity with the business interests which they themselves represent.

Mr. President, one of the sad things in the present situation of the farmers is the fact that the farmers have become discouraged; they feel that there is no hope. They have asked for legislation, and they have been promised legislation time after time. Oh, yes, in the party platforms in the last three or four presidential campaigns the farmers have been promised legislation for their benefit. Campaign speakers, candidates for office, have promised the same thing. The farmers were very much disappointed when the agricultural bill, which is known as the McNary-Haugen, containing the equalization fee, was vetoed by the President. They felt that that bill was a step in the right direction, and that it would work for their benefit, but it was vetoed. So, the farmers have become discouraged. Many of them now think that there is no use; that they will never get anything, or, at least, that it will not come in time to save them; that they will lose their farms before any action is taken by Congress which will be of any benefit to them. And it does look as if that was about the case.

I received a letter this morning which illustrates the situation I think better than I can state it. The writer sends an editorial from one of the Hearst newspapers, or, at least, it is an editorial by Mr. Brisbane. I have not the date of the newspaper from which the editorial is clipped, but it was only a few days ago, for I myself remember reading it in one of the Washington newspapers. This editorial states:

Farmers are reading news from Washington this spring with childlike faith, as city men read seed catalogues.

The city man believes that seeds really will produce tomatoes as big as his head. The farmer believes that a bill to spend \$500,000,000 will really bring relief.

Nothing will bring relief but different methods in farming, plus an opportunity for the farmer to borrow money when he needs it at a reasonable rate of interest.

But banks will see to it that that doesn't happen, and if the banks don't the Federal reserve will see to it.

It's bad policy to lend money to Americans that want to buy stocks for less than 15 per cent.

It would be anarchy to make reasonable loans to farmers.

That is an editorial written by Arthur Brisbane, who is supposed to be the highest-paid editorial writer in the world, and is commonly known as the best-informed man in the United States. He goes on to state:

Meanwhile general business, which is systematized on a production basis, goes ahead in spite of usury that fattens on it.

New building and engineering work contracted for in 37 States east of the Rocky Mountains last month amounted to \$484,847,500, an increase of 34 per cent over February.

Of the total, \$197,172,000 were spent for residential buildings—an encouraging sign of prosperity.

Yes, there is some prosperity; but it is not with the farmer. In addition to this editorial, the writer of the letter says:

In addition it should be stated that farmers part with 8 per cent of their crop when they dump it in the elevator—

Of course, this letter is written from North Dakota, and the writer is talking about wheat, which is our principal farm product in that State—

profit for the elevator company.

Terminal grain market so fixed now that farmers' cooperative elevators can not make any money operating on a business basis.

The farmers are paying \$240 for a binder that it costs the International Co. \$85 to produce. Other implements in proportion. The International Harvester Co. use about 25 per cent of the sale price of their machinery setting up a system to crush competition, and they have been fairly successful.

Yet the President and Members of Congress try to tell us the farmers' plight can be remedied by cooperative marketing systems.

Bunk! And the advocates of cooperative marketing systems know it is bunk. No other business could exist under the same handicap as the farmer works under. The prices the farmer has to pay for machinery is an outrage. A 15/30 McCormick-Deering tractor costs less than \$700 to build. It is sold to the farmer at \$1,250 and freight from factory. God save the farmer! President Hoover and Congress never will. Cut out the horseplay, adjourn, come home, and tell the farmer it's all a joke. The farmer will find it out after a while, anyway.

Elevator profit, 8 per cent; bank interest, 9 per cent; International Harvester Co. profits total of farmers' crop, 20 per cent; running expenses got the rest.

Moral: A man is a damn fool to be a farmer.

[Laughter.]

Mr. President, that is about the way the average farmer in my State feels about the situation. A real emergency exists, and, in my estimation, it is of such magnitude as to justify the Congress of the United States in making every possible effort to save the great food producers of this Nation, the producers of the necessities of life, from going broken out of business, to keep the farmers as home owners in this Nation and not as a group of tenants and peasants.

I think the emergency is so insistent that the Congress should empower the Federal farm board that is to be created under the pending bill to fix prices based on cost of production on the staple farm products as an emergency measure in order to enable the farmers to get on their feet in order to let them organize their cooperative organizations with which to handle their own markets a little later on.

If an emergency existed during the war time that was sufficient to cause the Congress of the United States to fix the price of wheat, in my estimation the emergency is one hundred times greater to-day than it was during war time. If the Congress of the United States were justified in fixing prices during the war time on wheat, I believe there is a great deal more justification now for such action, because the farmers are in such condition that they are going broke by the millions each year, and something should be done to give them assistance.

Mr. President, the farmers are asking no more under the debenture plan or under a price-fixing plan than have the manufacturers asked and received at the hands of Congress in the past. The farmers are asking no more than the banking interests have asked in the past and have received at the hands of Congress. If the farmers who produce the food products to

feed the Nation are not of as much importance as are the railroad companies, which simply transport those products, if the farmers are not of as much importance to this great Nation of ours as the bankers and the manufacturers, nothing should be done for them; they should be left to work out their own salvation and become tenants and peasants; but, Mr. President, if those who produce the food products to feed the Nation, if those who produce the cotton and other essentials for the very life of our Nation, are to continue their activities in this great field, in my estimation Congress is justified in passing adequate legislation at this session of Congress which the President of the United States has called to take care of the emergency.

The President felt justified, and I think he was justified considering the character of the emergency, in calling this special session of Congress to aid in solving the farm problem; and I am mighty disappointed at the attitude the President has taken since the Congress has been called together. I can draw no other conclusion than that, apparently, he did not mean what he said during the campaign, and that he is opposed to farm legislation that will really meet the emergency and save the farmers from going broke, as millions of them will go broke, in my opinion, even if the Federal farm board as proposed by the pending bill shall be created.

I believe the system proposed by this bill will help to some extent; it will help the cooperative organizations; but, as the farmer whose letter I have read stated, the cooperative organizations are not going to save the situation. We have had much experience in the Middle West and in the wheat-growing States with cooperative associations. Most of those cooperatives have gone broke and out of business because of the unfair, unjust, and criminal practices in which the chamber of commerce group, handling the farmers' products, have indulged. So the farmers have largely become discouraged in their belief in the efficacy of cooperative organizations. So if we can have a Federal farm board that is honestly interested, and is given authority to go ahead and work out a marketing system, I am satisfied that it will be of great importance and a great benefit. But what I am afraid of, Mr. President, is that the marketing process can not be worked out soon enough to save the situation. The debenture plan, in my estimation, would be of great benefit.

Oh, we have heard a great deal in the past about giving the farmers the same benefit of the tariff that the manufacturing industries receive, and yet, when we ask under the proposed debenture plan for just one-half of the tariff the President of the United States says that it will not work; that it is unsound, and that if it should work it would increase production and spoil the whole thing.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Michigan?

Mr. FRAZIER. Certainly.

Mr. VANDENBERG. Will the Senator give me his idea as to what would be the effect under the debenture plan in the event that it should be met by countervailing duties abroad, precisely as we should meet a similar situation under section 303 of our tariff act if debentures were provided on crops in Europe?

Mr. FRAZIER. I do not know what the result would be in that event. It might be that a tariff would be put on many articles; that possibly might happen. The President said he thought that it would be contrary to the so-called antidumping law. When the master of the National Grange, Mr. Taber, was before our committee I asked him that question—whether he thought the debenture plan would be affected by the so-called antidumping law that many of the foreign countries had. He said he did not think it would; he was satisfied that it would not come under that provision.

Mr. VANDENBERG. Will the Senator permit me further? I am not thinking of the antidumping laws. I am thinking of the additional provisions in practically all the statutes of foreign countries against so-called bounty-fed goods; and the language of those statutes seems to be so specifically in point that I am wondering whether we can hope to avoid them.

For instance, let me give the Senator just one definition. In Austria the law says:

Goods upon which a direct or indirect export bounty is granted shall immediately face a surtax equal to the amount of that bounty.

If that were to be applied in reprisal for our export debentures, would the scheme work? I am simply asking, not controversially but for the Senator's judgment as to the net result.

Mr. BROOKHART. Mr. President—

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Iowa?

Mr. FRAZIER. Yes.



Mr. BROOKHART. I think I can answer that question for the Senator.

I was in Austria in 1923, at the cooperative congress, and I investigated that proposition to some extent. Austria will not enforce any such law against foods. They might against things that they produce, and all that; but they will not do it against farm products that go there from the United States because of the great necessity for them. They are not producing anything like enough to feed their own people.

Mr. VANDENBERG. It would be possible under their law, however?

Mr. BROOKHART. It would be possible, of course, to put an embargo on all exports from the United States; but I can not see that that would make any particular difference to the farmers, because they are going to get the benefit of the debenture here on this side anyhow. The only thing that would make a difference to them would be if it should entirely break down the world market.

I have said to the Senate that I favor a plan that will favorably control and influence the world market rather than the debenture plan; but as the next best thing, if we can not get that, if the President is not going to permit us to have it, and the Senate is going to surrender to his judgment and say that we will not buy and hold these products for a better price in the world market, then the next best thing for the farmer is this debenture.

Mr. VANDENBERG. May I ask just one further question?

The VICE PRESIDENT. Does the Senator from North Dakota further yield to the Senator from Michigan?

Mr. FRAZIER. Yes.

Mr. VANDENBERG. In the judgment of the Senator from Iowa, who has given a great deal of consideration to this problem, does he think that if European countries were to embrace an export debenture plan, section 303 of our tariff would permit us to establish immediately a countervailing duty to offset it?

Mr. BROOKHART. It might; yes; but it would not on these farm products, because we are not importing them.

Mr. FRAZIER. Mr. President, I think the Senator from Iowa is correct in his statement that under this debenture plan the amount of the debenture would be paid to the farmer regardless of the price at which his product sold abroad; and, of course, that, as has been stated here time after time, would be a sort of subsidy; but that is nothing new. We have subsidies, and have had for a long time, for the manufacturers, and still have for the manufacturers; and in my estimation the Congress of the United States could not be prevailed upon to do away with the subsidies that we have had for the manufacturing interests for years and years, or to do away with what practically amounts to a subsidy for the railroad interests; and if we did pass such a measure at this special session the President in the White House at the other end of the Avenue would veto it at once. And yet, as the Senator from Iowa pointed out yesterday, in one of his campaign speeches last fall the candidate at that time said, as I recall, that he did not see anything wrong in the Government spending a few hundred million dollars to put agriculture on its feet.

Mr. President, I want the Members of the Senate to understand that I never have advocated this debenture plan. I have always been opposed to it; but as an emergency proposition, if we can not get anything better, I think it would be of some assistance. It is put in this bill as an emergency proposition. The board are given authority to put it into operation if they see fit. I believe it would be of some help; but, unfortunately, it is quite apparent that a measure of that kind can not be passed at this time.

Of course, we have had some farm legislation that undoubtedly has been of some benefit to the farmers; but, as has been stated many times, a great deal of that legislation supposed to be for the benefit of the farmers has been put into operation by boards that were interested in everything else besides the farmer. The Federal farm loan act has been of some benefit. The Federal farm-land banks undoubtedly have reduced the rates of interest on farm loans from what they used to be under the old system.

Mr. BROOKHART. Mr. President—

Mr. FRAZIER. But the rates are not low enough yet.

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Iowa?

Mr. FRAZIER. I do.

Mr. BROOKHART. The Senator has stated the proposition I wished to inquire about. While the bank has lowered the rates below what they were, yet it has not lowered them to anything like the level at which they should be under the economic conditions of the country.

Mr. FRAZIER. No; if the farmers are going to be put on a parity with other interests, then either the special-privilege legislation that we have enacted in the past should be repealed, or the farmers should be given their share of this special-privilege legislation. If the Federal reserve act is to stand—and, bluntly speaking, as I see it, under the Federal reserve act the Congress of the United States turned over to the Federal Reserve Board the credit of the Nation—and if the Federal farm-land bank is to function for the benefit of the farmers, that board should have similar authority with the Federal Reserve Board, so that the farmers could take advantage of the cheap Government credit, too. The intermediate credit banks have been of some assistance in some cases; but the trouble is, as the president of the chamber of commerce suggests here, they seem to function in such a way as not to interfere with the regular order of business, not to interfere with the bankers and the money lenders.

I have here a letter that I put in the hearings that I want to read in regard to the intermediate credit banks.

A farmer up in my State—in one of the best parts of the State, too—was farming 800 acres of land. He was a renter, but he had a big force of machinery and horses and quite a lot of livestock. He needed some money and he borrowed \$1,000 from the intermediate credit bank through his local cooperative association. Of course, he had to take stock in the local organization in order to get the loan. That is part of the system. It cost him about  $7\frac{1}{4}$  or  $7\frac{1}{2}$  per cent without taking into consideration the stock that he was forced to buy, and after he bought that stock I think the loan cost him probably about 8 per cent. But, at any rate, when his year's time was up, which was during the past winter, he could not pay his loan; and he got the secretary of the local organization to ask for an extension for another year.

It seems that this farmer had sold one or two of the cattle. I do not know what the reason was; I presume his family was hungry and he had to butcher a steer for beef during the winter, and perhaps he sold another beef "critter" to get a little money with which to buy groceries. At any rate, he had sold a little of this mortgaged property and spent the money, and, of course, that is contrary to law; and while there was still plenty of security, yet the intermediate credit bank felt that they could not extend any further credit to this man on those terms and they would have to punish him a little. So they said the only terms on which they would renew the loan would be if he would give a crop mortgage in addition to the mortgage on his machinery, horses, livestock, and all the cattle he had. If he would give a crop mortgage on his 800 acres of crops in addition to all these other things, they would renew the loan.

The farmer absolutely refused to do that; and he said that under those conditions, if that was all the cooperation he could get from a so-called Government intermediate credit bank, he would call a sale, sell off a part of his machinery, a part of his horses and cattle, and move to Canada. He called a sale, sold off the oldest of his horses and the oldest of his machinery, but saved the best of his farming equipment and took them to Canada with him. He got a little over \$2,000 for his sale of a part of the security on this loan. He paid off the intermediate credit bank, took the balance that was left and the best of his horses and machinery, and went to Canada, where he said he thought he might get some cooperation from the Government in his farming operations.

Mr. President, I have spoken longer than I expected to.

Mr. COPELAND. Mr. President—

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from New York?

Mr. FRAZIER. Yes; I am glad to yield.

Mr. COPELAND. I should like to ask the Senator a question. He is enthusiastic for the bill, is he? Is the Senator in favor of the farm relief bill as presented?

Mr. FRAZIER. The bill that we have?

Mr. COPELAND. Yes.

Mr. FRAZIER. Oh, Mr. President, I am for anything—anything that has the slightest hope for farm relief.

Mr. COPELAND. Is this one?

Mr. FRAZIER. That is what they say, and I am for it. The President says we must get started, and I agree with him. We have been altogether too late in getting started.

Mr. COPELAND. If the debenture plan should be left out of the bill, would the Senator still be in favor of it?

Mr. FRAZIER. Oh, yes; I should still be in favor of it, although I do not think it would begin to accomplish what we hope it will, or what it would accomplish with the debenture plan in it. I do not think it will meet the emergency that now

exists; but it is a start and a step in the right direction, so let us do it if we can not get anything better.

Mr. COPELAND. The Senator does not agree with the Members of the House who seem to be enthusiastic for the bill without the debenture plan, and who seem to prophesy that if it is passed there will be real relief for the farmer? Does the Senator take a different view?

Mr. FRAZIER. I am afraid the relief would be so slow in coming that the great bulk of our farmers who have farmed for practically their whole lives, or many of them, at least, millions more of them, would go broke before the relief would come.

Mr. COPELAND. Does the Senator regard the bill as a price-fixing bill?

Mr. FRAZIER. I do not. I think we would be justified in passing a price-fixing bill under the circumstances, as an emergency measure, for two years' time, say, until the cooperative organizations can be organized under this Federal farm board to take care of the marketing of the farm products.

Mr. COPELAND. Mr. President, as I have read the debates in the House, I have been impressed by the fact that the advocates of the House bill, which does not have this debenture plan in it, regard it as a very useful bill because it does give the board, in effect, the power to fix prices, and I would like to know if the Senator takes the view that that is wise.

Mr. FRAZIER. I have not understood it that way, and the President, as I recall, has gone on record as opposing anything that would have a tendency to fix prices.

Mr. WATSON obtained the floor.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Nebraska?

Mr. WATSON. I yield.

Mr. NORRIS. I suppose the Senator, in accordance with his notice, is about to move a recess at this time.

Mr. WATSON. Yes.

Mr. NORRIS. Does the Senator intend to move an adjournment or a recess?

Mr. WATSON. It is the intention to move that the Senate take a recess.

Mr. NORRIS. Until the completion of the exercises in memory of the late Senator La Follette?

Mr. WATSON. No; until to-morrow.

Mr. NORRIS. It has occurred to me that in order that absent Senators who would like to go with us to the exercises might be informed we ought to have a quorum of the Senate before the recess is taken. If the Senator from Indiana does not object, I would like to suggest the absence of a quorum.

Mr. WATSON. Certainly; I would like to have a quorum call.

Mr. NORRIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Allen	Fletcher	King	Simmons
Ashurst	Frazier	La Follette	Smith
Barkley	George	McKellar	Smoot
Bingham	Gillett	McMaster	Steiwer
Black	Goff	McNary	Swanson
Blaine	Goldsborough	Metcalf	Thomas, Idaho
Blease	Gould	Moses	Thomas, Okla.
Borah	Greene	Norbeck	Townsend
Bratton	Hale	Norris	Trammell
Brookhart	Harris	Nye	Tydings
Broussard	Harrison	Oddie	Tyson
Burton	Hastings	Overman	Vandenberg
Capper	Hatfield	Patterson	Wagner
Caraway	Hawes	Phipps	Walcott
Connally	Hayden	Pine	Walsh, Mass.
Copeland	Hebert	Pittman	Walsh, Mont.
Couzens	Heflin	Reed	Warren
Cutting	Howell	Robinson, Ark.	Waterman
Dale	Johnson	Robinson, Ind.	Watson
Deneen	Jones	Sackett	Wheeler
Dill	Kean	Schall	
Edge	Kendrick	Sheppard	
Fess	Keyes	Shortridge	

Mr. SCHALL. I desire to announce that my colleague [Mr. SHIPSTEAD] is ill at the Johns Hopkins University Hospital.

The VICE PRESIDENT. Eighty-nine Senators having answered to their names, there is a quorum present.

Mr. WATSON. Mr. President, I had intended to-day to ask unanimous consent to lay aside the unfinished business in order that we might take a vote on the so-called Heflin resolution; but that could not be done, because the Senator from North Dakota wanted to conclude his speech, which was entirely proper; but to-morrow I shall ask the permission of the Senator from Oregon [Mr. McNARY], the chairman of the Committee on Agriculture and Forestry, that I may request unanimous consent temporarily to lay aside the unfinished business in order that we may take a vote on the resolution to which I have referred.

# RECESS

Mr. McNARY. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and the Senate (at 1 o'clock and 50 minutes p. m.) took a recess until to-morrow, Friday, April 26, 1929, at 12 o'clock meridian.

## ACCEPTANCE OF STATUE OF ROBERT MARION LA FOLLETTE

[The proceedings in Statuary Hall are printed in the RECORD by direction of Senator GEORGE H. MOSES, Chairman of the Joint Committee on Printing]

The unveiling of the statue of Robert Marion La Follette, of Wisconsin, in Statuary Hall in the Capitol, Washington, D. C., on Thursday, April 25, 1929, was held pursuant to Senate Concurrent Resolution 4, Seventy-first Congress, first session, which is as follows:

*Resolved by the Senate (the House of Representatives concurring),* That the thanks of Congress are presented to the people of Wisconsin for the statue of Robert M. La Follette, her distinguished son, whose name is so honorably identified with the history of the State and of the United States.

*Resolved,* That this work of art by Jo Davidson is accepted in the name of the Nation, and assigned a place in the old Hall of the House of Representatives already set aside by act of Congress for statues of eminent citizens and that a copy of this resolution, suitably engrossed and duly authenticated, be transmitted to the Governor of the State of Wisconsin.

The assembly was called to order at 2 o'clock p. m. by Senator ROBERT M. LA FOLLETTE, JR., of Wisconsin, the presiding officer.

Senator LA FOLLETTE. Fellow citizens, the first address in connection with the unveiling of the statue of Robert Marion La Follette, presented by the people of the State of Wisconsin, will be delivered by Dr. R. A. Eustace Haydon, of Chicago University.

## ADDRESS BY DR. A. EUSTACE HAYDON

Doctor HAYDON. Ladies and gentlemen, twenty-four hundred years ago a Chinese philosopher, speaking of political greatness, said:

He who when called to office practices his principles for the good of the people and when disappointed in that practices his principles alone, he whom riches and honor can not corrupt, whom poverty and mean position can not make swerve from principle, whom power and force can not make bend, he is worthy to be called truly great and courageous.

These words, I think, 2,400 years old, might be written with perfect truthfulness in every syllable beneath the statue of Robert M. La Follette.

He is lost, but he still lives, because nature has a way of preserving precious values, either the creations of her sons or her sons in name through all the centuries. Sometimes their lives are woven into the very texture of the world. Nobody knows now who it was that first taught man to use fire. Nobody knows who taught man first to make tools or to domesticate animals or to use the tillage of the soil for food. More, nobody knows who it was who first taught man the values of mutual aid and cooperation and friendship and loyalty. And yet these unknown contributors to the values of human life have woven themselves into the very structure of the civilization by which we live. Some are preserved by name because they have been enshrined in the hearts and love of men, not because they have been great teachers of the military art, not because they have been triumphant conquerors, not even because they have been great rulers; they who are preserved are men who have been the thrusting spearhead of human battling for values of living. It is the great sages and seers and prophets of the ideal who have been held enshrined in the hearts of men; and among them Robert Marion La Follette has won for himself a secure place.

The roots of his life ran back into the rich soil of human values. He felt the pulse beat of the heart of humanity; into his life there came up the cry of those who were in need, so that he became the voice and crusader of that age-old urge of men for larger life, larger freedom, larger beauty of expression and nobler civilization.

If I were to gather his life together into a single sentence, I would say that the philosophy of it is woven around about this one principle, that, directed by knowledge and good will, government should be the instrument of human progress. There is nothing new in that stated as a principle, but in the way he interpreted it and the way he lived his life in expressing it there was a new principle involved. He was indeed the expression of a new humanism in government. Government had been for a long time the instrument of power. The tribal chief, the priestly authoritarian, the absolute king—all had been challenged. The aristocracies of birth were gone, but in their place during his lifetime a new tyranny arose, the tyranny of economic power



that, to his sympathetic vision, seemed to threaten freedom and opportunity for life in this land which claims to be the home of freedom and of opportunity for the common man. When he asserted the principle that statecraft should be an instrument for social amelioration, that government should be used as the guardian and servant of the values of human life he worked along two lines: He wove together understanding and the love of man. Over and over again he said, "He who would be a reformer and seeks to bring about a new order of society must come equipped with a thorough knowledge of the facts upon which the established civilization is based. Therefore, a thoroughgoing and uncompromising progressive program may be the safe basis of betterment not only for the public but for all legitimate business as well. Not law, not opinion, not even constitutions can convince people; they can only be convinced by the concrete facts of concrete situations." So we found that always when he was battling for his principles he came ready with facts. He reveled in facts. This is a new scientific technique, the method of scientific analysis under whose white light of understanding all problems come out clearly; grounded in a love of human values, knowledge may then be woven into an intelligent technique of government.

Because he stood for these two things he found himself always down among the people because the problems were there. He was battling for the poor, for the worker, for those who were oppressed, for everyone about whom the entanglements of an increasingly complex civilization were weaving their web. And just because he faced the facts of life situations he found himself arrayed against all who would thwart human freedom, against special privilege, against power in high places, against these new aggregations of economic might. He challenged them in the name of man; he challenged them with understanding and the power of accurate knowledge. Supported by facts, his heart attuned to the values of life, he was able to forecast the hope that knowledge and love woven together might create for America a new statecraft, a statecraft that would solve problems in the light of understanding of the needs of men and make of government, therefore, the instrument of human progress.

Some time the governments of the world will grasp that vision; the day will come when government will really be lighted up with the eyes of science and assume responsibility for the distribution of the world's goods intelligently to the masses of folk, when wealth will be common wealth, when governments will be oriented around social values, when humanity will be supreme over property. When that day comes—and it will surely come—then men will know that this embattled prophet of the new era stood in Wisconsin and in Washington as a pioneer fighter for the dawning of that day. [Applause.]

There are times when any such fighter finds himself battling alone. That is the test of a man's sincerity; that is the supreme trial of a man's integrity. Can he stand practicing his principles alone? The greatest of all the sons of men are they who have stood steady at such times.

You think at once of these lonely great ones gone.

A sage of ancient Athens with a little company of his disciples, dying, numbed with the hemlock, smilingly standing true to his ideals; a seeker after truth put to death by the State and refusing the opportunity to flee.

The great Confucius trying to find a way of political reconstruction in his disordered and disturbed China, driven out of the State of Lu, bounded out of the State of Wei, standing with his disciples loyal to his ideals; a lonely Galilean daring in the name of the folk, in the name of the lowly and outcast people to challenge the authority of priest and prince, to challenge church and government in the name of man, deserted by His people, deserted by His disciples, taking His lonely way toward a cross on the hill. This is the test, and more than once Robert Marion La Follette faced that test, a lonely fighter with the clouds dark about him, misunderstood, deserted; but despite desertion by those he loved and for whom he labored, he held steady. In the darkest period of war madness he said, "Trust the people; you can always trust the people when you give them the facts." "Not gentle was his war with fate, and yet he borrowed no man's sword." He was one "Who never turned his back, but marched breast forward, never doubted clouds would break."

It is a beautiful thing that he kept his faith. It is a still more beautiful thing that he kept his faith in the common folk and that he lived to see the clouds parted and the sunlight of vindication light up his magnificent head in that glorious day when he came forth once more to battle for his principles in a new onslaught against old evils.

We need him desperately to-day. In this age as never before titanic forces are ever toying with the spirit of man. Round about us these wild energies are playing loose with no reign of good will and no reign of intelligence over them.

The old anchors are drifting. The old social securities are going. The old guaranties no longer hold. In all phases of our social life, in every realm of the order of the modern world the nice, cozy conventional securities of the past are challenged and broken and destroyed. Philosopher and educator, scientist and economist, poet and writer, all are combining to-day to say to us, "Unless somehow we can lay the control of spiritual idealism over these terrific forces of the economic life of the modern world, civilization is doomed—that civilization which it has taken 3,000 years to build."

The spirit of man somehow must lay hold of science and technology and material power in order to harness these to the chariot of human values. Somehow the world must be made to serve the values of life; and if Senator La Follette were here, if his clear vision could view the human scene, his whole long life's labor tells you where he would stand. He would be wrestling with these problems, even as he always did before.

And so there is one thing only we may do: We may embody his spirit; we may give him immortality in our lives; we may consecrate ourselves to his ideals; and if we will, then we shall honor him truly, honor him not only in statues of stone but in our lives; not only in our love-weighted words of praise but in a civilization and culture made beautiful for the life of man. [Applause.]

ADDRESS BY HON. JOHN J. BLAINE, UNITED STATES SENATOR FROM WISCONSIN

Senator LA FOLLETTE. The Hon. JOHN J. BLAINE, United States Senator from Wisconsin, will present the statue on behalf of the State. [Applause.]

Senator BLAINE. Senator LA FOLLETTE, ladies and gentlemen, nearly 40 years ago the State of Wisconsin presented the first of the two statues which each State has been invited by Congress to place in this historic hall in the Capitol of our Nation, that of Père Jacques Marquette, a pioneer, an explorer, and a humanist.

To-day it presents the statue of Robert Marion La Follette, the outstanding figure of its recent history, and a pioneer, an explorer, and a humanist. This marble figure stands as evidence of Wisconsin's acknowledgment of her love for him as he loved his native State. It is a token to the people of America, whom he served, from the people of Wisconsin, acting through its legislature, which, by unanimous vote of both branches thereof, and under unanimous consent, gave it, on June 24, 1925, in commemoration of his service and his memory.

Separated as were Marquette and La Follette by more than two centuries in time, and engaged in radically different lines of work, the lives of these two citizens of Wisconsin yet present many parallels, and both typify the ideals and aspirations of the people of our State.

Both men were of unsullied character, beloved by all who knew them. Both possessed undaunted courage. Both were pioneers in the truest sense of the word—the one in the field of exploration, the other in the field of government. But most closely parallel were the ideals which inspired both of these men whom Wisconsin, in the language of the statutes, deems "worthy of this national commemoration." Marquette voluntarily left a place of scholarly seclusion in France to carry the message of the lowly Nazarene to the savage Indians in the heart of the wilderness and lost his life in this enterprise. La Follette devoted his life to public service, not for his own advancement but in the spirit he well expressed in his introduction to *The Making of America*:

It is a glorious service—

He said—

this service for the country. Each one should count it a patriotic duty to build at least a part of his life into the life of his country, to do his share in the making of America according to the plan of the fathers.

Both Marquette and La Follette were inspired by the love of their fellow men. Marquette saw the squalor and savagery of the Indian and gave his life to the effort to elevate his lowly brother. La Follette saw that there has "been only one issue in all the history of the world." That issue, as he put it, "has been between those who labor and those who would control, through slavery in one form or another, the laborers. The supreme issue, involving all others, is the encroachment of the powerful few upon the rights of the many." Grasping this truth, he devoted his life to the restoration of representative government and the advancement of the common man.

An able lawyer, a great orator, started on a brilliant career, he had the courage to defy the political machine and to risk oblivion. Neither the power of wealth nor threat ever deterred him from his course. When, in the hysteria of war, his enemies falsely represented him, and led even some of his

closest friends to doubt and desert him, he yielded not his convictions, and in that trying time, practically alone among public men, ever fought the battles of those who sacrificed, and for peace and understanding.

Even his enemies paid him the tribute that no one was ever in doubt where La Follette would stand on any public question. He stood always with the common people. He understood them. He never betrayed them. He loved them, and on his deathbed uttered these last words, which for generations will be an inspiration to all sons and daughters of Wisconsin:

I am at peace with all the world, but there is a lot of work I could still do. I don't know how the people will feel toward me, but I shall take to the grave my love for them which has sustained me through life.

Robert M. La Follette has to his credit a great many outstanding accomplishments. I shall not undertake to recount them all or treat them fully. Probably no other American of the last generation was so closely connected with so many important developments in our history.

As Governor of Wisconsin he sponsored and put through the first state-wide primary by which popular opinion and popular vote determined nominations. He modeled the first effective railroad rate regulation law, besides antipass, railroad taxation, banking, civil service, and labor legislation.

In his 20 years as a United States Senator he fought successfully to abolish slavery on American merchant ships and secured a limitation of the hours of service of railway employees. He was the champion of the rights of the Indians and the most practical and effective of all advocates of conservation. To his courage and his initiative this country owes the recovery of its great naval oil resources, which had been bartered away by corrupt public officials. He was the unceasing foe of monopoly. He was a lifelong advocate of woman suffrage. He championed the popular election of United States Senators, the initiative and referendum, and the recall, to give the people a more effective voice in their government.

He fought relentlessly against corruption and rendered an inestimable service to the cause of decency and good government in bringing to light the excessive and unlawful use of money in senatorial elections, resulting in the expulsion or resignation from the Senate of those who owed their positions to the shameful use of corrupt funds.

He rendered no less valuable service in his many battles for freedom of speech and liberty of the press and against espionage and censorship. He was the outstanding opponent of militarism, and of all men of his generation was the most effective advocate of cordial understandings with Latin America and all other nations.

He gave to his alma mater, the University of Wisconsin, the ideal of service to all of the people. He was the inspiration of scores of young men who have caught his spirit and are carrying on his work. He was the recognized leader of the progressive movement in his State and Nation and made its influence felt upon every public question.

In 1924 he fearlessly launched an independent candidacy for the Presidency on the most advanced platform ever presented by a major candidate to the American electorate. Despite the handicap of meager funds, and abuse and misrepresentation seldom, if ever, paralleled in the history of this country he was the choice of 5,000,000 of his fellow countrymen.

His was a full life, and a life marked by many successes. But greater than all these were his ideals and the vision he gave to men.

Though directed in a different channel, his was essentially the same ideal as that which inspired Marquette. Its foundation is the intrinsic worth of the human soul; its fruitage, love and faith in man. In a crassly material age La FOLLETTE ever visioned men above money. He was not unconcerned about the material prosperity of his State and Nation and ever respected respectable property rights, but he held steadfastly to the ideal that the purpose of mankind is to develop mankind. His view was, "Industry exists for man, not man for industry."

It is this point of view that the people of Wisconsin deem the greatest of La Follette's contributions to the country he loved as few men have ever loved their country. He was beloved by them as no other man in the history of the Commonwealth, and his influence is undying. In the words of the gifted Wisconsin poet, William Ellery Leonard, written on the occasion of Senator La Follette's death:

In the Valley of Decision  
Down the Road of Things-that-are,  
You gave to us a vision,  
You appointed us a star,  
And through Cities of Derision  
We followed you from afar.

On the Hills beyond To-morrow,  
On the Road of Things-to-do,  
With what strength of hand we borrow  
As we borrow soul from you,  
We know not sloth nor sorrow  
And we build your vision true.

The people of Wisconsin like to think of Senator La Follette as the embodiment of the spirit of the State.

He was one of the great souls who has made the planet different and better, one of these great spirits who has turned the current in the direction of the ideal dreamed by all the prophets of the ages.

[Applause.]

#### UNVEILING OF STATUE

Senator LA FOLLETTE. The statue will now be unveiled by Robert La Follette Sucher and Marion Montana Wheeler. [Applause.]

The statue was thereupon unveiled.

#### ADDRESS BY MR. PHILIP F. LA FOLLETTE

Senator LA FOLLETTE. The next address will be delivered by Philip F. La Follette. [Applause.]

Mr. LA FOLLETTE. Ladies and gentlemen, the family of Robert M. La Follette is profoundly grateful to the State of Wisconsin for the placing of this statue in the Capitol of the Nation as an expression of the appreciation of his public service by the people of his State.

Many of you were his intimate friends and associates. We share common experiences intertwined with his life and our own. For most of us this statue is a symbol, not of an individual but of a life—a life lived with such intensity and fullness that it blended with that of his fellow men. For deepest feeling there is no language nor any oratory. Were we alone concerned, no words need nor would be said. Our tribute and thanks would be expressed in the only language possible—the eloquence of silence.

Nothing that could have been done by his State would have given him deeper satisfaction. His life spanned the generation which created and the generation which now constitutes the United States. His nature combined elements from both—a certain classical taste for the traditional in art, oratory, and life, solidly grounded in appreciation of the vitality and importance of realities.

He first took me through this hall. He knew that critics found fault with some of these statues as works of art. But it was not in that spirit he viewed them. His background and his intimate knowledge of history made him venerate not the statues but the lives they commemorated. Washington, Jackson, Lincoln, Jefferson, and the others were not just names. Each stood for a definite, vital force in the creation of a nation and the preservation of its ideal of human liberty and democracy.

To have been selected by Wisconsin to occupy a place here among those who sought to build and preserve a representative and responsive government would have filled his heart.

His father was a pioneer, who died while his son, whose statue is unveiled here to-day, was a baby. He never knew his father and never had even a picture of him, but his father's dying words went with him through life: "I am not afraid to die, but I don't like to be forgotten." If he were here with us to-day, I am sure he would think of his father and mother and hope that in some measure those pioneers of that early day in Wisconsin had lived in him.

If he were here to-day, I know he would think of that day 11 years ago when he sat in his office in the basement of this Capitol. Gathered about him was a small group of his friends. The World War was on us. The rage and hatred of a vitriolic press and selfish profiteers were stirring to fever heat the passions of men. Friends were urging him to silence. He told this group:

The children may live to see the day when sentiment will change toward me and what I am about to do; I never shall.

He walked out of that room to the floor of the Senate and took a position from which he never wavered and which brought down upon him the attacks which are now history.

Trevelyan says:

\* \* \* The character of a public man can best be judged when he is opposed to some violent and almost universal passion of his fellow countrymen. Then will be seen the stuff of which he is made.

All of us recur to the period of the war, not alone because of the change in public sentiment toward that undertaking, but because the intensity of feeling and passions of that period were a supreme test of the inherent character and qualities that directed the course of my father's public career.



The placing of this statue here within 10 years of the war would have been for him lasting confirmation of his faith in the ultimate judgment of mankind. And he would have hoped that it would inspire those who came after him to hold to their faith and to remember to—

Let the counsel of thine own heart stand, for there is none more faithful unto thee than it. For a man's mind is sometimes wont to bring him tidings more than seven watchmen that sit above in a high tower.

It would be unnecessary to point out to you that he had no narrow sense that he represented any single State, or that his duty was confined alone to the people of Wisconsin. But throughout his long public life the greatest source of support to him was the sense of personal friendship and intimate association with the people of his State. He would want us to remember that whatever service he was able to render his country was made possible by the unmatched loyalty and affection, existing without interruption for the quarter of a century he was in the Senate, between the people of Wisconsin and himself. In the most trying hours of his public career he was sustained by their confidence and, above all, by their understanding. Enemies swarmed upon him, leaders betrayed him, friends forsook him, but in some mysterious way the silent masses reached out through it all and spoke to him. He was born among them, fought their battles with them, and went to his grave after the holocaust of bitterness and animosity of war, sweet and untouched by hate, because of his love of them and their love for him. In an age of doubt and disillusionment, of betrayal of faith, this mutual trust and understanding made even stronger his profound confidence in the masses of the people and their ability to work out their own destiny. In some measure he too gave to them greater faith in public men.

To have placed here in the Capitol of this Nation, by the unanimous vote of the Legislature of Wisconsin, this statue, sculptured by his friend Jo Davidson, a great artist, who regards this his greatest work, is a fitting climax to a long and difficult life gladly given to public service. [Applause.]

ADDRESS BY CHARLES H. CROWNHART, JUSTICE OF THE WISCONSIN SUPREME COURT

Senator LA FOLLETTE. I now present Hon. Charles H. Crownhart, justice of the Supreme Court of Wisconsin.

Justice CROWNHART. Ladies and gentlemen, politics may be a noble and honorable calling or a debasing and treacherous business, according to the conduct and purpose of him who follows the profession. Robert Marion La Follette placed politics on a high plane. He aimed to promote the general welfare. He thought in terms of the great masses instead of classes. His sympathies embraced all mankind. But his efforts were largely directed to helping those who could least help themselves. He realized that in the field of legislation and administration broad and comprehensive laws in aid of the masses are best in the end for all our citizens. He felt that honesty of purpose and honesty in administration of public affairs were absolute essentials of an enduring republic.

La Follette was twice elected district attorney of Dane County, in which is situated the capital of Wisconsin; he was twice elected to Congress from his district; he was elected three times Governor of Wisconsin; he was four times elected to the United States Senate—twice by the legislature and twice by popular vote; he had the delegations for him as the candidate of Wisconsin for President of the United States in 1908, 1912, 1916, and 1924, and he received the electoral vote of his State for President in 1924. In that year he was an independent candidate for the Presidency, and although his name was not on the ballot in several States, and he was without party organization and had very limited funds, he received nearly 5,000,000 votes.

Without any campaign in Wisconsin or the expenditure of any money in the State, he carried Wisconsin by more than 140,000 votes over the popular candidate of the Republican Party. This exceptional record of public confidence invites inquiry into the source of his power and influence.

Fortunately, La Follette was well born in favorable environments. He was born in a humble log cabin of the old frontier. He was born and reared in respectable poverty. He early learned to work and not to despise labor, however humble. His father died when he was 8 months old, but he had the protection and guidance of a good mother—a strong character of the pioneer type. La Follette secured his education largely as a result of his own efforts. While attending the university he taught a country school and recited to his professors at night, riding back and forth on an old nag. After receiving his bachelor of science degree, he took the law course and graduated in less than a year.

His early training taught him self-reliance. That self-reliance was the keynote of his success. He ever dared to stand in the front rank where the fighting was thickest, and he could lead as well as fight.

Upon entering the practice of law he did not hesitate to defy the political boss of his county, who turned thumbs down on his ambition to become district attorney. He appealed from the will of the boss to the will of the people. He canvassed the hardy farmers of the county, and they liked this youth who talked frankly to them, face to face. These farmers humbled the boss and voted La Follette in. As district attorney he did so well that these farmers were confirmed in their faith in La Follette and he became their "boy," and such he continued throughout their lives. Never afterwards did he fail to carry Dane County when he was a candidate, and several times he carried his old home town of Primrose by a unanimous vote.

La Follette made friends by open, frank appeal, and by rendering honest service retained that friendship. His political speeches were all addressed to the intelligence of his audience. He dealt in facts massed and analyzed so logically and simply that hard-working people, who might be slow of comprehension, would appreciate the points of the argument and go away, not simply converts but advocates of La Follette and his principles.

In one of his campaigns for governor La Follette spoke at Superior. He had been preceded by a former United States Senator of the State who opposed him. His opponent was a brilliant orator, and he was at his best. He had a fine audience, whom he entertained, and who responded enthusiastically. Every thrust at La Follette, and there were many of them, was loudly applauded. La Follette's adherents were downcast, but hoped he would retrieve his fortunes by a reply in kind. La Follette had an equally large audience. But there the likeness ended. He made no reference to his opponent or to his speech. He addressed the people as he would a jury. He massed his data; he arranged his facts to present every phase of his argument. If he felt that he was getting ahead of his audience, he turned his facts over and presented them in a new dress. Three hours he held that meeting under perfect attention, and when it was dismissed the people left silently as though a benediction had just been said by their pastor.

There are men and women of that audience who now remember that address of 25 years ago. They were converted to La Follette and his policies, and so remain to this day. They were not converted by any emotional appeal, but by the logic of facts which found lodgment in their intelligence. The people who heard him went forth to convince others to become believers in La Follette, and he carried Superior by a larger vote than ever before.

Such incidents could be multiplied. Few failed to understand his arguments or failed to be impressed by his sincerity. All are interested in governmental problems if they are brought within their comprehension. La Follette understood this and did not talk over their heads; he did not resort to the tricks of the demagogue; he knew perfectly how to reach the understanding of the people.

La Follette could not have known when he entered politics the then basis of political power in Wisconsin. It had for its foundation promotion in politics in return for service to the bosses and special interests. Federal patronage was fed out by those in power to their time servers. Offices of postmasters, marshals, district attorneys, judges, and the like were the direct prizes offered. Receiverships and court attachés followed the system in vogue. Federal buildings and contracts went through political channels to those who followed the machine. The same system prevailed in the State government.

As La Follette advanced in his fight for a more representative government he met much greater obstacles, because they were more secret and more general in their pernicious effects. He found public officials were obtaining favors from railroads in the way of free transportation of persons and property. These public officials reached from the assessors of taxes in the lowest governmental unit to the judges on the bench and to the executive and legislative departments. When a legislative session opened the railroads sent special agents to issue such transportation not only to public officials but to their retainers in the back country. Nor was this amazing corruption all. He found railroads granting special favors and rebates to friendly shippers. Through such means large employers of labor were brought into line for the machine.

Under the caucus and delegate system nominations for public office were easily controlled by the machine through such corruption, then considered respectable because universal.

La Follette's first thought, in his attempt to break this strangle hold of machine control, was to abolish the caucus and convention system and secure a direct primary. He believed in the essential honesty of the common people, and by

direct appeal he could rout the machine. He would abolish free transportation given as a bribe and thus procure better laws and more efficient administration. He would abolish rebates and special favors to shippers, free all shippers from unfair competition, and take the railroads out of politics by providing commissions to fix rates and taxes on a fair and adequate basis. He would enact a civil service law freeing the State's employees from allegiance to the machine.

The result was a terrific struggle. Those in control of politics made every effort to retain control. The people had to be educated. The rank and file knew little of the evil machine methods. Gradually, as they discovered the abuses existing, they came to La Follette's support, until he gained an acknowledged leadership. The legislation which followed was radical, but sane and constitutional. His Wisconsin program became firmly established.

The people then demanded that their leader move on to Washington to enter a wider field of usefulness. To a large extent the same abuses existed nationally as had prevailed in Wisconsin. There was no effective civil service for those employed by the Government. Federal patronage continued to be dispensed in Wisconsin as before. During his long period of service as United States Senator La Follette was forced to contend with the enemies he had made in Wisconsin, reinforced by Federal patronage. He never sought and never had the disposition of Federal offices in his State. He would, when requested, make his recommendations, based on merit, but such recommendations were generally ignored in favor of some one who had rendered political service to the opposition. He would not surrender his independence to obtain favors for himself or for others.

Always La Follette had to meet most determined opposition for reelection to the Senate. In 1910 he had been engaged in a long and arduous struggle against some of the oppressive schedules of the Payne-Aldrich tariff bill. The tariff beneficiaries determined to compass his defeat in the November election. They poured money into the State. More than \$150,000, accounted for under oath, were used against him in that struggle. La Follette returned home from Washington early in July, suffering from a serious malady which prevented his participation in the campaign. This was a keen disappointment to his friends, for they had come to rely on his great influence through personal contact with the people. When the situation became public there was a most remarkable demonstration of La Follette's standing in the State and Nation. Offers of help came to the Senator from far and near, and they were accepted in so far as they imposed no obligation upon him to surrender any principle for which he stood. His colleagues, Senators BORAH, DOLLIVER, CUMMINS, BRISTOW, and CLAPP, came to the State and made eloquent speeches in his behalf. Gifford Pinchot, of Pennsylvania; George L. Record, of New Jersey; Judge Ben Lindsey, of Denver; Francis J. Heney, of San Francisco, also enlisted in the campaign. Andrew Furuseth spoke for labor; Samuel Gompers lent his powerful assistance; Rudolph Spreckels, of San Francisco; Julius Rosenwald, and Charles R. Crane, of Chicago; Congressman Kent and Fremont Older, of California; with many others, contributed funds.

Senators were still elected by the legislatures. The constitutional provision for direct election had not been approved. In Wisconsin, however, as a part of the primary law, there was a provision for the voters expressing preference for the senatorial candidate for Senator of their choice. The supreme court had upheld this law as a mere indication of the will of the people, but not binding on the legislature. One justice wrote: "It is not binding legally or morally." So the contest involved electing members of the legislature favorable to the reelection of the Senator.

The people in Wisconsin gave effective battle to the opposition. La Follette won an overwhelming preferential vote. When the nominated State officers and members of the legislature met in a platform convention they adopted a resolution, with only one dissenting vote, to the effect that the vote of the people for La Follette was morally binding upon each member of the legislature who should be elected, and pledging themselves to carry out the will of the people. La Follette was thereafter elected by the legislature with substantial unanimity. Again the people demonstrated the love and affection they had for him, and the value they placed upon his public service. The La Follette committee disbursed in that campaign less than \$6,500, all contributed by friends, as against \$150,000 spent by the opposition.

In 1916 La Follette was elected to the Senate by direct vote, with a large majority, upon a platform pledging his opposition to the entry of the United States into the World War and against our entry into any entangling alliance with any foreign

power. He regarded any promise to secure an election as a sacred trust. He kept that promise. But powerful bankers, contrary to the expressed request of the President, had already loaned the Allies large sums of money and munition factories were running full blast to supply them. Thus unofficially we had become tied to the Allies by bonds of financial interests that made our final entry into the war a certainty.

However, La Follette held true to his course. He would not betray his trust, although he could foresee the consequences to himself. The war makers thereupon delivered against him the most terrific barrage of calumny ever projected against a public man in this country. The Associated Press had misquoted a speech that La Follette had made to a farmer audience at St. Paul. Referring to the causes of the war, La Follette had said: "We had grievances against Germany," and the press quoted him as saying, "We had no grievance against Germany." This gave the war profiteers, as they thought, the power of destroying La Follette's prestige for all time. They fanned the flames of war passion into a conflagration. Resolutions and memorials were adopted by business organizations, defense councils, and patriotic societies condemning the Senator and demanding that he be ousted from the Senate. It is unnecessary to recount the incidents of that wicked campaign of hate.

One incident alone will reveal the extent to which men were carried by the war hysteria. La Follette had won for his university distinguished honors while he was a student. He loved his alma mater, and in public and private life had been a firm supporter of it. When the freedom of the university to teach the truth was endangered he assisted in causing the regents to prepare and adopt this resolution:

Whatever may be the limitations which trammel inquiry elsewhere, we believe that the great State of Wisconsin should ever encourage that continual and fearless sifting and winnowing by which alone the truth can be found.

But a majority of the faculty of the University of Wisconsin, impregnated with the war-poisoned atmosphere, signed a memorial to the press, and filed it with the Senate, charging La Follette with having given aid and comfort to Germany, and with failure loyally to support his Government. This memorial was also filed as a public document with the State Historical Society. The State legislature passed a similar resolution.

After the war was over a succeeding legislature promptly expunged the resolution from its records. A resolution was then introduced to expunge the memorial of the faculty of the university from the records of the historical society. At this point Senator La Follette wrote the author of the resolution to withdraw it, saying:

It has come to my attention through the press that you have introduced a resolution in the Wisconsin State Senate which directs the curator of the historical library to transmit to the superintendent of public property for destruction a certain resolution signed by members of the University of Wisconsin faculty censuring me for my attitude during the recent war.

I deeply appreciate the spirit which prompted you to introduce this resolution and the desire on your part to rectify, in so far as possible, what has seemed to you to be an unfair and libelous attack upon me.

The signing and promulgation of that resolution by members of the faculty of the university of which I am an alumnus was a source of deep regret and disappointment. Many of them had been life-long friends and associates. Before the experience of the war, I would not have believed that they could bring themselves to impugn my loyalty and devotion to the best interests of this country. However, the support and steadfastness of you and many others gave me great compensation which was a source of strength to me in doing my duty to my State and my country, as it was given to me to see it.

Time is the great sifter and winnower of truth. The formal destruction of that document can not change the fact of its existence. I stated many times from the public platform in Wisconsin during the recent campaigns that I would not exchange my record on the war with any man in the United States Senate. History alone can judge impartially. So far as I am personally concerned I am well content that this document shall remain as a physical evidence of the hysteria attendant upon the war.

It seems to me that our energies should be devoted toward bringing our institutions back to the principles upon which they were founded, and which are the true source of our greatness.

This applies with special significance to the university, and we can perform no greater service toward all our institutions than to see to it that the great University of Wisconsin ever continues that winnowing and sifting by which alone the truth can be found is made a reality and not a fiction.

That letter illustrates a phase of La Follette's character. He was profoundly moved by the defection of his alma mater—the



injustice of it all—but he would not change the record. History was to be written in accordance with the facts.

When the war hysteria was at its height many of La Follette's warm personal friends were in doubt as to the path marked out by the Senator, from which he would not deviate. They were not in doubt so much as to the righteousness of his course as they were of its political expediency. One such friend so expressed himself in a letter to him, to which La Follette replied:

I apprehend that many times in the long struggle for democracy, which has raged with great bitterness over Wisconsin in the last 25 years, that you have questioned the wisdom of my uncompromising attitude, but it warms my heart to believe that it never strained the bond of affection between us or raised a doubt in your mind as to the integrity of my purpose.

The newspapers and the newborn patriots have the stage now and are filling the public eye and ear with malicious libels and violent denunciations.

I do not think it strange that all this should make it appear that the "people" severely condemn all who in any way question the propriety of the action taken by Congress and the President.

But is it the people who are making this raid? Is it not that element directly or indirectly connected with interests which for 25 years have denounced me for reasons which we pretty well understood at the time?

War is a terribly destructive force, even beyond the limits of the battle front and the war zones. Its influence involves the whole community. It warps men's judgment, distorts the true standard of patriotism, breeds distrust and suspicion among neighbors, inflames passions, encourages violence, develops abuse of power, tyrannizes over men and women even in the purely social relations of life, and terrifies whole communities into the most abject surrender of every right which is the heritage of free government.

But against all the forces which war has heretofore let loose upon us, even when the fury of rebellion swept the country, the Constitution stood. As said by our Supreme Court:

"The Constitution of the United States is a law for rulers and people, equally in war and in peace, and covers with the shield of its protection all classes of men, at all times and under all circumstances."

Now, then, if the Constitution does stand, and if you have registered an oath to support the Constitution as a United States Senator, then one is bound to oppose a plain violation of the letter and spirit of the Constitution by either the President or the Congress—"equally in war and in peace."

Since we were brought into this war, some 60 different war measures have been passed by Congress. I have supported and voted for all of them except 5. . . .

After the declaration of war I recognized the obligations which a state of war lays upon every citizen.

But the Constitution still abides. It defines the powers and duties of Congress. It gave Congress every war power, except that it left with the President the right to direct all military operation in the field. It gave him no other war power. . . .

May I say to you that in the midst of this raging storm of hate, I am withal very happy in so far as my own future is concerned. I would not change places with any living man on the record as it stands to-day.

However, many of his old friends more clearly envisioned the future. One paragraph of a letter to the Senator from an able Federal judge will suffice to illustrate. It reads:

I have been greatly depressed by the brutal and unjust attacks that great business interests have organized against you. It is a time when all the spirits of evil are turned loose. The kaisers of high finance, who have been developing hatred of you for a generation because you have fought against them and for the common good, see this opportunity to turn the war patriotism into an engine of attack. They are using it everywhere, and it is a day when lovers of democracy, not only in the world, but here in the United States, need to go apart on the mountain and spend the night in fasting and prayer. I still have faith that the forces of good on this earth will be found to be greater than the forces of evil, but we all need resolution. I hope you will have the grace to keep your center of gravity on the inside of you and to keep a spirit that is unclouded by hatred. It is a time for the words, "With malice toward none and charity for all." It is the office of great service to be a shield to the good man's character against malice. Before this fight is over you will have a new revelation that such a shield is yours.

La Follette kept his "center of gravity on the inside" of him. Later, when he had recovered his former prestige, with added luster and power, he kept a spirit unclouded against those who had spitefully abused him. He sought no retaliation.

We may gather from the incidents of La Follette's career something of the character of the man. The historian of the future, weaving the story of his life from all the available data, must say, I am sure, that La Follette lived up to his ideals; he was the greatest commoner of his time; his heart beat in unison with the great masses of mankind; all his tremendous

energy and all his great powers were devoted to the common good; he was faithful to every trust reposed in him; with him politics meant only opportunity for public service, and he went to his final reward without the shadow of fear, regretting only that he could not do more for the people whom he loved. [Applause.]

ADDRESS OF GILBERT E. ROE, ESQ., OF NEW YORK CITY

Senator LA FOLLETTE. The next speaker is Mr. Gilbert E. Roe, of New York City, whom I now present.

Mr. ROE. Ladies and gentlemen, Robert Marion La Follette was a natural leader of men. Such was his active mind, his quick sympathy, his keen sense of justice that he inevitably was interested in and took an active part in the life of any community in which he lived. His qualities of leadership were made manifest early in life. In college he was a leader of the student body and earned and received high honors; as district attorney of Dane County for four years he acquired a statewide reputation as an able and vigorous prosecutor; elected to the House of Representatives in 1884, when he was only 29 years of age, where he served for 6 years, he was speedily recognized as one of the leaders of the House; elected three times as Governor of the State of Wisconsin, he organized and led the progressive forces of that State to complete victory and virtually revolutionized the political and economic life of the State. Not one of the major legislative acts of his administration as governor has ever been repealed and not one has been held unconstitutional by the courts. Entering the Senate of the United States in 1906, where he served continuously for almost 20 years, he was speedily recognized as a leader of the progressive forces in that body.

His leadership was never acquired through the arts of flattery or mere good fellowship. While he was one of the most genial and companionable of men, leadership came to him because his associates recognized in him those qualities of courage, integrity, and vision which best equipped him for leadership in the particular work in hand. He saw further and more clearly than most men. His faith was more sublime. His courage was more enduring. He persisted where others faltered and grew weary. He acted where others hesitated and were undecided.

Mr. La Follette's political creed was an extreme simple one. It was this: That whatever was unfair and dishonest in dealings between individuals was unfair and dishonest in dealings between individuals and the great corporations of the country. If it was wrong for one man to steal a dollar from his neighbor, he held that it was just as wrong for a corporation to steal millions of dollars from the individuals of the State by refusing to pay its fair share of the taxes levied to support the government. If it was wrong for one individual to prevent by fraud or intimidation his neighbor from exercising his right of suffrage, it was just as wrong when the same result was accomplished through the control of the machinery of government by the great business interests of the country.

If it was wrong for one individual to wantonly maim and kill his fellows, it was just as wrong when the same result was accomplished wholesale by the large employers of labor throughout the country who wantonly refused to use available devices and means to protect their employees against accidental injuries, disease, or death. He looked upon the State as being an aggregation of individuals, and, therefore, whoever defrauded the State was defrauding the individuals composing it. These were all homely truths which no man dared to dispute. They were truths commonly acquiesced in. Had Mr. La Follette been content merely to preach these doctrines, he would have been universally hailed as a somewhat visionary but devoted friend of his fellow men. But the trouble with Senator La Follette was that he did not stop with preaching these elementary principles of justice. He proposed to go further and put them into effect by the most practical kind of legislation. There was the rub.

His political methods were as simple as his political principles. He often quoted from Goethe the line, "Do that work which lieth nearest to your hand." Mr. La Follette was no political theorist or dreamer. He evolved no political Utopias. He did that work which he found nearest to his hand. He wished to take a freeman's part in the politics of his country. He found an obstacle to so doing in what was then known as the caucus and convention system. How he was beaten again and again by that system is a part of the history of his life. From this experience he developed his idea of a direct primary law and the abolition of the caucus and convention system. He found the railroads and great public-service corporations escaping taxes by tricky laws and doubtful practices, and his remedy was to tax them just as the property of individuals was taxed. But such taxation was useless if the reform stopped there, for the additional tax would simply be passed on to the public to pay in increased rates. Hence the fight he waged

for many years to regulate the rates charged by all public-service corporations. He found that the managers of great industries in the country, employing millions of laborers, looked upon it not only as their right but as their duty to pay the lowest wages possible to their employees, and to extort from them the longest possible hours of service; and to disregard so far as possible all claims for injuries, sickness, and death among their employees. This result was accomplished by applying the ancient principles of law developed under an industrial system bearing little resemblance to modern industrial operations and conditions. He met this situation boldly, as he did every other, and declared that the old laws must be abrogated or modified and new ones adopted to meet the new conditions.

There is a distinct body of Federal legislation sponsored by Senator La Follette, and for the enactment of which he is primarily responsible, designed to remedy the intolerable industrial conditions which he found on entering the United States Senate in 1906.

Among these measures may be mentioned the following:

#### I. HOURS OF SERVICE ACT (34 STAT. 1415, CH. 2939, MARCH 4, 1907)

This act makes it unlawful for any common carrier, subject to the provisions of the act, to permit any employees to remain on duty for a longer period than 16 consecutive hours, and provides that no train dispatcher or employee who by the use of telephone or telegraph receives or transmits orders affecting the train movements shall remain on duty for a longer period than nine consecutive hours. The purpose of this statute was, of course, to promote safety in operating trains by preventing the excessive mental and physical strain which usually results from remaining too long at one exacting task. The railroads strenuously opposed the passage of this measure and afterwards attacked its constitutionality in the courts. Its constitutionality, however, in its entirety was upheld in *Baltimore & Ohio Railroad Co. v. Interstate Commerce Commission* (221 U. S. 612).

#### II. EMPLOYERS LIABILITY ACT—RAILROADS (38 STAT. 65, CH. 149, APRIL 23, 1905)

This act abrogates or modifies the common-law defenses in personal-injury actions as to (1) negligence of fellow servants; (2) contributory negligence and assumption of the risk; (3) and introduces the rule of comparative negligence, whereby the exoneration of the employer is only from the proportionate part of the damages corresponding in amount with the negligence attributable to the employees; (4) gives right of action to personal representatives of deceased for the benefit of certain described relatives. The constitutionality of this act was upheld in the Second Employers Liability cases (223 U. S. 1 to 67).

For years the employees in the modern and highly dangerous railroading occupations had been pleading for some relief from the harsh and unconscionable rules of the common law evolved under primitive industrial conditions, when the employee or servant had few, if any, rights which the master was bound to respect. A similar measure had been previously attacked in the courts and held unconstitutional by the court by a vote of 5 to 4. Senator La Follette had tried to get the substance of this legislation by an amendment to the interstate commerce act in 1906 and was defeated. The second attempt was defeated by the court, and finally, in 1908, he secured passage of the act afterwards upheld by the court.

#### III. RAILROAD VALUATION ACT (37 STAT. 701, CH. 92; MARCH 1, 1913)

Senator La Follette, after seven years of almost constant effort, finally secured the passage of this great measure, which he believed would furnish the means of fixing fair and reasonable rates in railroad transportation for all time. It directed the Interstate Commerce Commission to investigate and report the value of all property owned and used by every common carrier subject to the provisions of the act, and provided in detail the steps to be taken and the acts to be done in the performance of this general duty. Its constitutionality is undoubted. (*United States ex rel. Kansas City Southern Railway Co. v. Interstate Commerce Commission*, 252 U. S. 170; *United States et al. v. Interstate Commerce Commission*, 264 U. S. 66.) Whatever may be thought of the valuation fixed by the commission, under the guidance of court decisions, the principle of fixing the fair value of railroad property for rate-making purposes must be accepted as correct.

#### IV. SEAMEN'S ACT (38 STAT. 1164, CH. 153; MARCH 4, 1915)

Under the old law, seamen were virtually slaves. They had not the rights under the Constitution as laws accorded to other citizens. The very nature of their occupation prevented them from forming and maintaining effective unions. They were a peculiarly helpless class of laborers but upon their industry

and fidelity the safety of ship, cargo, and passengers largely depended. They were without political influence. Protective legislation had passed them by. Before the passage of La Follette's Seamen's Act, the American seaman, like all others, because of the contract which he was compelled to sign in order to secure employment, virtually became the property of the vessel on which he agreed to serve. He belonged to the vessel as the serf belonged to the estate. It was the last bondage within the United States not the result of crime, and it deprived the United States of native seamen and, therefore, of real sea power. The La Follette Seamen's Act abolished this status by repealing the laws and abrogating the treaties upon which it rested. It placed the American seamen in matters of contract on something like equality with other employees. It freed them from corporal punishment. It stamped out disease by improving living conditions on board ship and securing for the seamen reasonable hours of labor. It greatly increased the percentage of native Americans among our seamen and made an American merchant marine possible. Owners of ships were not different from owners of railroads, and bitterly opposed with all their might the passage of the La Follette Seamen's Act; they attacked it in the courts on every conceivable ground. But, in the main, it has successfully withstood these attacks and it is coming to be recognized to-day, like the other legislation for which Senator La Follette is responsible, as a wise and constructive measure, beneficial alike to the seamen and to the public.

There were many other acts of great importance proposed by Senator La Follette and the adoption of which he secured. Among these may be mentioned regulation of telephone and telegraph companies (sec. 7 of the act of June 18, 1910; 36 Stat. 544), which amended the entire section 1 of the interstate commerce act; antigag law (sec. 6 of the post office appropriation act, 37 Stat. 56, August 24, 1912), which recognized the right of postal employees to organize and made restrictions on the removal from civil service, and recognized the right of any person in the civil service to petition Congress; an act providing for a legislative reference division in the Library of Congress (amendment to the executive and judicial appropriation act for 1915); and act concerning civil government in Porto Rico (Public Act 366, 64th Cong.); and much other general progressive legislation.

Senator La Follette was as active in opposing what he regarded as bad legislation as he was in promoting legislation in the public interest. He was constantly on the watch to see that the progressive legislation which had been secured was not weakened, and that the Public Treasury was saved from raids by private interest, so far as that was possible.

In April, 1922, he secured the adoption of the resolutions for the oil investigations which have resulted in the restoration to the Government of many millions of dollars worth of public property, and in laying bare the methods by which the Government and the public were being robbed. In crediting this great body of legislation largely to the labors of Senator La Follette, it is not, of course, intended to detract in the least from the service performed by other Senators and Representatives who most ably and courageously participated in securing its adoption.

With the breaking out of the World War in 1914, and particularly in 1915 when it began to look as though we might be drawn into it, a new set of questions arose to engage the attention of the people and their representatives. Senator La Follette was opposed to war as a means of settling disputes between nations. He saw no justification in the European situation at that time for our entering the war. He knew that if we entered the war the people who would pay the cost of it in money, in suffering, and in human life would be the common people—his people, to whose services he had given the best years of his life. Others would profit greatly; but the common people would be the sufferers. He proposed, as early as 1915, the calling of a conference of neutral nations, and to offer mediation to the warring powers; and in his candidacy for reelection to the Senate, in 1916, he pledged himself to make every effort in his power to keep this country out of the war. He kept that pledge as he did every other pledge that he ever made. He opposed the armed ship bill as a device for getting us into the war without a declaration of war, and organized the filibuster which defeated it. He opposed the declaration of war in a speech on the floor of the Senate within a few hours of the time he knew the declaration would be overwhelmingly adopted by the Senate. He analyzed in that speech the acts and conduct of the various belligerents, and the state papers on the subject so far as then available, and argued that no single nation was responsible for the disaster which was threatening to overwhelm and engulf all Europe. Following the declaration of war he opposed the draft.



During the war he opposed the disgraceful profiteering which ran riot at that time. On the floor of the Senate, on August 21, 1917, a few months after we entered the war, he said:

Wealth has never yet sacrificed itself on the altar of patriotism in any war. On the contrary, it has ever shown itself eager to take advantage of the misfortune which war always brings to the masses of the people. That has been true of every war we have had in this country and of every war in Europe of which I have any knowledge, and it is certainly true of the present war. Every bond that is issued must some time be redeemed with interest out of the taxes that the people must pay. Nothing is gained by borrowing except that money for immediate use is obtained from those who have it to loan, to be repaid to them in the future with interest, out of the taxes largely exacted from those who can ill afford to pay them.

He tried to better the condition of the common soldier in every way. In a speech on this subject on the floor of the Senate on October 6, 1917, he said:

There is and, of course, can be no real difference of opinion concerning the duty of the citizen to discharge to the last limit whatever obligation the war lays upon him.

Our young men are being taken by the hundreds of thousands for the purpose of waging this war on the Continent of Europe, possibly Asia or Africa, or anywhere else that they may be ordered. Nothing must be left undone for their protection. They must have the best arms, ammunition, and equipment that money can buy. They must have the best training and the best officers which this great country can provide. The dependents and relatives they leave at home must be provided for, not meagerly but generously, so far as money can provide for them.

Again, in the same speech, he said:

I have done some of the hardest work of my life during the last few weeks on the revenue bill to raise the largest possible amount of money from surplus incomes and war profits for this war and upon other measures to provide for the protection of the soldiers and their families. That I was not able to accomplish more along this line is a great disappointment to me. I did all that I could, and I shall continue to fight with all the power at my command until wealth is made to bear more of the burden of this war than has been laid upon it by the present Congress. Concerning these matters, there can be no difference of opinion. We have not yet been able to muster the forces to conscript wealth, as we have conscripted men, but no one has ever been able to advance even a plausible argument for not doing so.

But the madness of war had gripped the country. The Senate of the United States in September, 1917, took cognizance of and referred to the Committee on Privileges and Elections for serious consideration the following resolution:

*Resolved*, That the Minnesota Commission on Public Safety respectfully petitions the Senate of the United States to institute proceedings looking to the expulsion of the said Robert M. La Follette from the Senate as a teacher of disloyalty and sedition and giving aid and comfort to our enemies and hindering the Government in the conduct of the war.

The alleged basis of this resolution was a speech made by Senator La Follette at St. Paul, Minn., on September 20, 1917. Such is the judgment of men during war.

But with a little time for consideration, the United States Senate Committee on Privileges and Elections, repudiated the resolution of the Minnesota Commission of Public Safety, and on December 2, 1918, adopted the following resolution:

*Resolved*, That the resolution of the Minnesota Commission of Public Safety petitioning the Senate of the United States to institute proceedings looking to the expulsion of Robert M. La Follette from the Senate because of a speech delivered by him at St. Paul, Minn., on September 20, 1917, be, and the same hereby are, dismissed for the reason that the speech in question does not justify any action by the Senate.

This resolution was adopted on the following January 16 by the United States Senate by an overwhelming majority.

I purposely make these resolutions a part of the record of these proceedings, because I know that it would be the wish of Senator La Follette that any record of his services as a United States Senator should contain a frank statement of the position he took respecting the late war, the wisdom and patriotism of which has been completely vindicated since the end of the war.

It seems to me to be most fitting that the one other man whose statue Wisconsin has selected for a place in Statuary Hall in the Capitol here at Washington, is Father Marquette who, like Senator La Follette, was an explorer and missionary. Mr. La Follette was both an explorer and a missionary. As a missionary he carried not only to the people of this country, but to self-governing people everywhere, an inspiring message of faith and hope in democratic institutions, so needed to-day to

redeem the nations of the world from the menace of unrepresentative, arbitrary, and autocratic government. As an explorer in the little-known realm of popular government, he blazed new trails with great hardship to himself, which the millions who come after him will tread in safety and comfort.

The elements of nature or the hands of men may mar or possibly some time destroy the statue which the State of Wisconsin in gratitude has erected to his memory, but his achievements in behalf of democratic institutions are imperishable, and will endure so long as popular government exists among men. [Applause.]

ADDRESS BY VICTOR A. OLANDER, SECRETARY-TREASURER OF THE INTERNATIONAL SEAMEN'S UNION OF AMERICA

Senator LA FOLLETTE. The next speaker will be Victor A. Olander, of Chicago.

Mr. OLANDER. It is with a feeling of deep gratitude that I join with my fellow citizens in offering a tribute to the memory of that great American humanitarian and statesman, Robert Marion La Follette.

I am commissioned to speak for the International Seamen's Union of America, representing the organized seamen of the United States. In giving expression to their views I reflect the sentiment of seamen the world over.

Freedom is God's greatest gift to mankind. All things are possible to men who are free. In bondage men are helpless.

The most elementary of all liberties is that under which men may withhold themselves from the service of others in private life. It is that right which most clearly marks the difference between the free man and the slave.

When Robert Marion La Follette entered the Senate of the United States the seamen of America as well as the seamen of all other nations were bondmen. There was some degree of freedom in the American coastwise trade, but none in the foreign trade, where seamen were subject to prison penalties for quitting work under circumstances wherein the freedom of all other working men had long been established.

The legal status of seamen, therefore, was lower than that of any other class of workers. As a result, they were underpaid and overworked to a greater extent than others.

Conditions of life and labor in the American overseas trade had deteriorated to the point where the sea had become—

A wall of nothing at the world's last edge,  
Where no life came except defeated life.

This unfortunate state of affairs was maintained by treaties between the various maritime governments of the world, under which seamen were seized and forcibly returned to their ships when charged with so-called "desertion." The Government of the United States was a party to those treaties.

When seamen quit foreign ships in American harbors because of low wages, they were arrested under the treaties and forced to return to their ships. Thus America was aiding her competitors on the seas to keep their wage costs below the American level. The effect was disastrous to the American merchant marine, which gained nothing by the degradation inflicted upon American seamen in foreign ports under the same treaties.

Robert Marion La Follette fought the successful battle that brought a great change for the better in the lives of seamen.

Through the passage of the La Follette Seamen's Act, American seamen were made free men the world over. Foreign seamen become free men when their ship enters American harbors. Foreign shipowners no longer have the aid of American law to keep their wage costs down.

The American merchant marine is now in a better competitive position than ever before in its history.

In proportion to the degree in which the La Follette Seamen's Act is enforced, the competitive power of America in the sea trade will increase, and self-respecting Americans will return to the sea.

Freedom, I repeat, is the greatest gift of the Creator to mankind. In relation to seamen and the American merchant marine, therefore, the mission of Robert Marion La Follette was to "justify the ways of God to men." He did his great work well. Seafaring men on all the seven seas and in the ports of every nation revere his memory.

It was La Follette who brought to them the great gift of freedom.

It was through La Follette that for them the soil of America became holy ground, consecrated to human liberty, the one place on earth where seamen are freemen. [Applause.]

Under the American flag, because La Follette lived and fought their battle, the men who go down to the sea in ships have equality before the law with all other men.

The famous La Follette Seamen's Act will ultimately give to America as firm a place upon the seas as the name La Follette now has in the hearts and minds of seamen.

"Fighting Bob" La Follette has passed on; yet, because of his "deeds of daring rectitude," he still lives and always will live—

In thoughts sublime that pierce the night like stars,  
And with their mild persistence urge men's search  
To vaster issues. So to live is heaven:  
To make undying music in the world,  
Breathing a beauteous order that controls  
With growing sway the growing life of man.

Robert Marion La Follette lives in history, as he lived among men, a hero of the common people of his country. Among them none owe him more, none love him more, and none honor him more than do the members of the International Seamen's Union of America. [Applause.]

ADDRESS BY MRS. MABEL CORY COSTIGAN, OF DENVER, COLO.

Senator LA FOLLETTE. I present Mrs. Mabel Cory Costigan, of Colorado. [Applause.]

MRS. COSTIGAN. In Colorado as long ago as 1910 we hailed Robert M. La Follette as the Nation's foremost Progressive. It chanced, however, that I did not know him personally until 1917, when Mr. Costigan and I began our considerable residence in Washington. That year, in October, I sat spellbound in the Senate when Senator La Follette, with absolute courage and supreme conviction, made the ever-memorable address in which he defended the inherent right of all men and women freely to discuss the objects and public policies involved in the World War in which we were then engaged.

Senator La Follette that afternoon vividly challenged the critics of his own attitude and answered those—now happily forgotten, while the Senator's name shines with ever-increasing brilliancy—who met his independent nonconformity with a demand for his expulsion from the Senate of the United States. He cited, line by line, the notable utterances of Lincoln, Webster, Clay, and Sumner as advocates of the constitutional right and patriotic duty of American citizens "to discuss the issues of war and to criticize the policies employed in its prosecution." Pointing to the bust of Sumner at the rear of the Senate Chamber, he exclaimed:

I should think he would turn his face to the wall rather than look down upon a scene like this!

Then, with a nobility befitting the subject, the occasion, and the man, he added:

Neither the clamor of the mob nor the voice of power will ever turn me by a hair's breadth from the course I mark out for myself, guided by such knowledge as I can obtain, and controlled and directed by a solemn conviction of right and duty.

[Applause.]

During the next eight years I often had occasion to go to Senator La Follette to ask his aid in promoting legislation for human welfare. Time and again I saw him critically tested, and through those years he never failed. He raised a standard which he never lowered. He believed in and trusted his well-loved people; and whether they journeyed with him or without him, he supported their right to determine whether they were prepared to accept or reject the statesmen's projects for improved government.

To cite only a few instances: He voted for the Federal suffrage amendment. He voted for the child labor amendment. He demanded packer control by the Government. He constantly fought for improvements in the seamen's law, for the enactment of which he was primarily responsible. He resisted the encroachments of corrupt election practices. He unwaveringly aided legislation to bring necessary scientific knowledge and help to countless uninformed women, so that babies should be well born and prospective mothers should not die. He fought insistently against monopolistic control of the necessities of life. He believed and helped demonstrate that we can establish in this country a commonwealth of equal educational opportunities for all, a fraternal state in which little children need no longer toil grievously for their daily bread, in which sufficient food, fuel, and shelter can be placed within the reach of all, in which public welfare will be paramount over private profit.

We loved him then and love him now for his championship of these and many other good measures. Women of all shades of political opinion used to say of him in Washington: "You can always depend on Senator La Follette."

This man of men, through all the years in which we knew him, passed by palliatives to apply fundamental prophylactic treatment. He knew, more than most, that it is better to strike at causes than to mend their consequences in waste, sickness, abnormality, and disaster. Nor did he accept half measures. He believed that compromise indefinitely postpones the complete cure. A distinguished western Senator reported

to me one morning a conversation he had just had with Senator La Follette on this subject, substantially as follows: "I said to Senator La Follette, 'Bob, you never compromise; therefore, you never win'; to which the Senator from Wisconsin replied, 'Bill, you always compromise, thereby delaying for years—for centuries, perhaps—the ultimate victory.'"

Justice and popular government have had no more powerful or constructive advocate in our generation. So to-day we meet to honor, and in a sense perpetuate, the memory of that dauntless spirit. He always advanced. He never surrendered. He conquered failure and scorned compromise. "He moved breast forward, never doubting right would triumph."

In 1925, during the tragic days of May and June, when we watched with ever-increasing anxiety and affection the lessening in physical powers of this priceless citizen, neighbor, and friend, my husband and I stepped quietly one afternoon into the hall of his home to express our solicitude about him. When Senator La Follette, who was resting upstairs, heard our lowered voices, he arose with alert and considerate recognition and, advancing to the banister, greeted us instantly in a voice of warm and friendliest music with the last words we were privileged to hear him say. They were, "Hello, down there." Those words of his are aptly repeated here to-day. So long as there are men and women anywhere who dauntlessly dedicate themselves to human rights, human welfare, and popular government, that clarion greeting of one of America's few great leaders may be taken as typical of his unconquerable soul. His imperishable messages will perpetually give courage, support, and inspiration to other Progressives from the heights of the hereafter on which he stands forever, exalted, fearless, and without reproach. We honor him to-day. [Applause.]

ADDRESS BY EDWARD KEATING, OF WASHINGTON, D. C., EDITOR OF LABOR

Senator LA FOLLETTE. I present Edward Keating, editor of Labor. [Applause.]

Mr. KEATING. Mr. Chairman and friends, there is little that anyone can add to what has been so brilliantly and effectively said here to-day.

Those of us who are privileged to participate in to-day's proceedings are confronted by a peculiarly difficult task.

If our words were addressed solely to those who are within this Chamber, that task would be greatly simplified.

You knew Senator La Follette. The mere mention of his name would be sufficient to stir your memories. Once more you would see Wisconsin's great son as you knew him in the flesh—the tender husband and father; the friend who would face the storm with you; the tireless seeker after truth; the orator who could dominate a Senate and sway a crowd; the wise, fearless, farsighted statesman.

However imperfect our sketch might be you could quickly and accurately fill in the picture.

But what we say here to-day will not be confined within these walls.

In the years to come the eager student, seeking the true measure of this man, may thumb the printed story of this ceremony; and it will be unfortunate indeed if he does not find on some page the secret he is after—an explanation of Robert Marion La Follette's amazing hold on millions of his fellow countrymen.

I loved Senator La Follette. We did not wear the same party label, but for more than a quarter of a century I was proud to count myself among his followers.

He was my ideal of a statesman.

Some public men are on the people's side part of the time. Some are on the people's side none of the time. Bob La Follette was on the people's side all of the time. [Applause.]

Sometime he fought alone; not from choice, but because there was none brave enough or devoted enough to share his Gethsemane.

I like what Dr. Clarence Edward Macartney, of Philadelphia, one-time moderator of the general assembly of the Presbyterian Church, said of him in the heat of the 1924 campaign:

The fires of execration and passion and hatred have swept around him.

But after his long service as governor, Representative, Senator, and independent leader there he stands; his character without reproach, his beautiful home life without a stain, and his most insane enemies unable to point to a single act in his long public career which would discredit him.

When Woodrow Wilson was at the height of his intellectual powers, he said:

I take off my cap to Bob La Follette.

[Applause.]



He has never taken his eye for a single moment from the goal he set out to reach.

He has walked a straight line to it in spite of every temptation to turn aside.

I have sometimes thought of Senator La Follette climbing the mountain of privilege—taunted, laughed at, called back—going steadfastly on and on, and not allowing himself to be deflected for a single moment for fear he also should hearken and lose all his power to serve the great interests to which he has devoted himself.

To a greater extent than any other public man since Lincoln Senator La Follette commanded the confidence of the workers of America, organized and unorganized, whether they labored on the farm, in the mine, or factory, or on our far-flung transportation system.

The devotion of the railroad "boys" to the great Wisconsin Senator is a matter of common knowledge. They were at his right hand in every battle he ever fought for truth and justice.

As his body was borne through the gates of the Washington Union Station on its way to its last resting place it was peculiarly appropriate that the casket was covered with lilies sent by these railroad workers, a symbol of their enduring affection for the friend and champion who had never failed them.

William Green, president of the American Federation of Labor, was fully justified in saying:

No man in public life occupied a greater place in the hearts and minds of the working people than Senator La Follette.

And Frank Morrison, veteran secretary of the American Federation of Labor, added:

No other public official in contemporaneous life can approach his record of devotion to the people's cause.

When time tempers the judgment of men it will be found that that record has not been equaled by any legislator in the Nation's history.

Time will not permit an extended review of the record which inspired these extraordinary tributes. I will mention only a few of his outstanding achievements on behalf of men and women who toil.

It was La Follette who emancipated American seamen.

The Supreme Court had held that the thirteenth amendment to the Constitution struck the shackles from the limbs of the black man but could not save white sailors from involuntary servitude.

For more than 20 years Andy Furuseth, chief of the Seamen's Union, tramped the corridors of the Capitol pleading with Congress to right that great injustice.

He pleaded in vain until La Follette took charge of the legislation and drove it through the Senate in as spectacular a contest as that historic Chamber has ever witnessed.

As finally enacted, the law not only provided a charter of freedom for the sailors but it safeguarded passengers at sea and opened the way for the establishment of an American merchant marine manned by Americans.

The law has been shamelessly emasculated by administrative officials of all parties, but it remains on the statute books a monument to the great man whose memory we honor to-day.

It was La Follette who gave the railroad workers the Federal employers' liability law and the 16-hour law.

There are men in this chamber to-day who can testify that before the enactment of the 16-hour law, engineers and firemen, and conductors and trainmen, responsible for the safety of life and property, were frequently compelled to remain on duty from 24 to 36 hours, and in exceptional instances 72 hours, without relief.

We were killing and maiming ten times as many passengers and railroad workers on American roads as were being killed and maimed on English roads.

We were killing three times and injuring twenty-five times as many employees as the German roads, and we were killing six times and injuring twenty-nine times as many passengers.

From year to year the Interstate Commerce Commission had urged legislation which would end the slaughter, the spokesmen of the workers told and retold the story to Senators and Congressmen but the lobbies maintained by the railroad interests were always powerful enough to block consideration.

Finally, in 1906, La Follette galvanized the Senate into action and with the skill and courage always displayed by him on great occasions, fairly overwhelmed the opposition.

It is hard to believe that only a few years ago Government employees were threatened by Executive order with the loss of their jobs if they dared to appeal to Congress from the injustices of bureaucracy.

Scores defied the "gag" and were driven from the Civil Service.

La Follette ended that sort of thing in 1912, and restored to Government workers their constitutional right to petition for the redress of grievances.

To-day their unions are among the most influential units in the labor movement, and the executive who would seek to deprive them of any of the benefits of collective bargaining would be inviting trouble, if not disaster.

Single handed, La Follette blocked the passage of a Federal antistrike law in the dark days of reaction following the World War.

He was the first to point out the iniquities of the Esch-Cummins law, and he arose from a sick bed to win a favorable report from a Senate committee on the railroad workers' Howell-Barkley bill, designed to assure abiding industrial peace in the transportation industry.

The list might be extended indefinitely.

No man in the American Congress—or in any other legislative body in the world, for that matter—ever wrote into the law of his land so many constructive measures designed to safeguard the liberties and economic interests of workers as did Robert Marion La Follette. [Applause.]

But—and this is more extraordinary still—while his sympathies were frankly on the side of the workers he was also the intelligent, consistent, and persistent champion of honest business.

One of the greatest liberals of America, Louis D. Brandeis, now a justice of the Supreme Court, emphasized that point years ago.

Writing in 1912, before he became a member of the high court, Justice Brandeis said:

The greatest problem now before the American people is the demand for social justice and industrial democracy.

A large part of our working people are working and living under conditions inconsistent with American standards and ideals and, indeed, with humanity itself.

We can not exist half free and half slave.

The problem is how to remove these flagrant abuses of our industrial system; how to secure industrial liberty while preserving what is good in our institutions—the energy, enterprise, and persistence characteristic of Americans.

For the solution of that great problem the American people need a leader with courage, ability, constructive power, and, perhaps above all, that deep and passionate sympathy with the common people which made Lincoln the greatest of all Americans.

La Follette possesses these qualities.

La Follette will have due solicitude for the needs of business, but he will never forget that business was made for man and not man for business.

Senator La Follette was a great American in the truest and best sense.

He believed in the American system of government. He never lost his faith in the people's capacity to govern themselves. He agreed with the fathers of the Republic that democracy at its worst is infinitely better than autocracy at its best. [Applause.]

He was the inventor of the direct primary, which has caused our political overlords so much distress in recent years.

When he entered the Senate it was known as the "American House of Lords," the "Millionaires' Club," the citadel of wealth and privilege.

He lived to see the upper Chamber become the mainstay of American democracy. [Applause.]

With Bryan, Norris, and a few others he created the public sentiment which forced the popular election of United States Senators.

I believe we are too close to the event to be able to accurately judge the effect of that change, but I venture the suggestion that the historian of the future will hold that when La Follette and his associates wrested control of the Senate from plutocracy and turned it over to the people they completed the most important single step taken in their generation to assure the safety and perpetuity of American institutions. [Applause.]

These are some of the reasons, haltingly and inadequately expressed, for our presence here to-day.

We have come from every section of the Republic; for the moment party lines are obliterated, racial and religious differences are forgotten; we congratulate Wisconsin that God gave her such a son; we share her pride in his achievements and we commend to posterity the study of his life and character.

We would say to those who come after us: We knew this man and we knew the men of his time, and we say of him as Antony said of Brutus:

This was the noblest Roman of them all!  
His life was gentle and the elements  
So mixed in him that Nature might stand up  
And say to all the world, "This was a man."

ADDRESS BY CLAUDE G. BOWERS

Senator LA FOLLETTE. I present Claude G. Bowers.

MR. BOWERS. In the story of American democracy in the last half century no name is more luminously or indelibly written in the records than that of Robert M. La Follette. As a crusader for the democratic concept of the State he resembles Jefferson, of whom he was a professed disciple and interpreter. As a fighting defender of democracy against the encroachments of privilege he stands with Jackson. As a friend of the plain people in the lowly walks of life he ranks with Lincoln. Nature made him a democrat, and character kept him one, and from the hour he drew his sword to rid his State of the dragons of privilege, until worn out in the service of humanity, it fell from his lifeless hand, there never was a moment that he did not fight the good fight and keep the faith.

If he had lived in the formative days of the Republic he would have been one of the founders of democracy in America; if in the days of Jackson he would have fought with him against the arrogance of the national-bank monopoly; if in the days of Lincoln he would have battled with him for liberty and the preservation of government of, by, and for the people.

From the moment he dedicated his genius to the service of the masses, whenever the issue was between man and mammon, between integrity and corruption, between the rights of the people and the privileges of power, no one ever had to inquire on what side the barricade he was fighting. [Applause.]

This is because his principles were as fixed and immutable as the laws of the Medes and the Persians. They were inherent in the man. They were the reflection of his soul. They marched to the pulsations of his heart. They were the emanations of a mind that did its own thinking. Robert M. La Follette never had to await the conclusion of a conference to determine the dictates of his conscience. His principles were his own, and these were the acid test to which he applied all the public problems of his day.

He believed that governments are created for the service and as servants of the people and that all others are usurpations—and this is the first principle of democracy.

He knew that the stability of society depends upon the protection of the legitimate rights of property, but he denied the legitimacy of alleged property rights that subordinated the higher, holier rights of man.

He knew that government of a class for a class is a negation of the fundamentals of the fathers; that equality in government and before the law is the essence of true Americanism; that privilege is the forerunner of plutocracy.

He despised the theory popular in materialistic circles that a primary function of government is to transfer money wrung from the people by the tax collector to the private coffers of favored groups; that government is an armed collector for the bad debts of private business. He knew that statesmanship is more than salesmanship and that government without heart or soul or vision is a menace to mankind. Thus among cynics and materialists he was an anachronism. When in the fine flush of youth this genius with a soul as white as mortal ever had first drew his sword to wage uncompromising war on privilege the Republic of Jefferson, Jackson, and Lincoln was in deadly peril.

The forces of privilege and corruption had taken advantage of the smoke screen of the war between the States to mobilize and march.

During the dark and sordid days of reconstruction they long maintained that screen by persistently fanning the smoldering passions of the war. And when at length the smoke lifted and the skies were clear, the people were confronted by the embattled forces of privilege and monopoly, powerfully entrenched.

The industrial and financial combinations and the railroads literally were in possession of the instrumentalities of the States. The railroads, on which vast empires of the public domain had been corruptly lavished, were indifferent to their duty to the public, on whose bounty they had fed.

We had renounced democracy for a degraded form of the Soviet. The privileged elements were sending their personal representatives to law-making bodies, both State and National. They had their lecherous hands upon the courts. They controlled the greater portion of the press. They were the State.

And then for a moment the western farmers rose in a revolt, and here and there, despite the jeers, threw faithless public servants out of power and enacted laws for the regulation of the rates of roads.

But eternal vigilance is the price of liberty, and vigilance died down. Through the trickery of politics and the chicanery of courts much of the ground gained was lost, and we had settled down to a cynical acquiescence in the exploitation of the average man.

Such was the condition of affairs when Robert M. La Follette, his vision broadened by his service in the House, began his fight for the creation of a progressive democratic state that Jefferson would have hailed and Jackson have saluted.

It was a herculean task he undertook, beyond the powers of ordinary men, but nature had molded in him an ideal crusader for the people. It gave him a persuasive and illuminating eloquence born of the perfect coordination of mind and heart. Thus when the people were kept in ignorance of the significance of events he was able to reach them with his voice.

It gave him a genius for intensive research. He never entered a battle until his arsenal was stocked with ammunition and his guns were in perfect working order. Thus he was one of the most meticulous investigators in American history. Thus his speeches were as treatises—final and authoritative. That is the reason his foes ridiculed but seldom tried to answer him. He was one of the rarest and most useful of human phenomena—a scientific sentimentalist. His mind kept a close rein on his heart; his emotions were under the control of his reflections.

He was, therefore, a master in the mobilization of facts and an artist in organizing them in martial ranks and making them march militantly to the music of his voice. He had the gift of making figures interesting as fiction, and that made him "dangerous." [Applause.]

And nature did more in making him an ideal crusader for the people. It gave him an honesty that was beyond purchase or persuasion, and a conscience that could be heard above the clamor of the crowd.

It lifted him above flattery, and thus gave him immunity from those social seductions that have converted so many young progressives to reaction. It gave him physical and mental endurance, thus making possible that dynamic energy that worked throughout the day and far into the night in confounding the conspiracies of silence.

It gave him a Jacksonian confidence in the ultimate triumph of the right and a Lincolnian faith in the ultimate wisdom of the people.

It gave him that superb courage that never quailed and never quit in the face of fire and left him undaunted in the hour of failure. It gave him something that is only given to the truly great—the power to stand alone. He who stands alone in the service of a great cause is seen the easiest and remembered the longest. [Applause.]

Such was his equipment. Now, before Jefferson launched his campaign for the democratization of America he wrote democracy into the statutes of Virginia; and La Follette democratized Wisconsin before he entered the national arena. The story of his reformation of Wisconsin is as fascinating as romance. He found the privileged and the politicians in a combination resting on mutual greed that defied assault—and he made assault. Every railroad enjoying immunity from regulation or full taxation, every powerful combination privileged to exploit, every bank subservient to the greed of its masters, every merchant and shipper these could coerce into compliance, was arrayed against him.

They controlled the greater portion of the press that misrepresented him when it dared and fought him with a more cowardly silence when it must. They marshaled the ever-ready but always anemic battalion of the snobs. They summoned one of the most powerful and unscrupulous of political machines to the defense. And all he had was the great unorganized, undisciplined mass of the people, and they were sleeping soundly on their arms.

He aroused them by his clarion call to battle, brought them to their feet, convinced them of the justice of their cause, mobilized, organized, munitioned, and lead them time after time to gallant failures, until at length they literally stormed their way to victory and entered into the possession of their government.

At that time La Follette's triumph in Wisconsin gave American democracy a new lease on life.

But momentary victory was not enough. To confirm that victory he struck down the convention system with its corruption and manipulation and made men submit their ambitions to the judgment of the people, who are the masters.

He found the railroads privileged to pocket hundreds of thousands belonging to the treasury. He ended that.

He foresaw their plan to pass the increase to the people in increased rates; he organized a sound and scientific method of State regulations and prevented that.

He found children in the factories. He sent them to the playground and the school.

He found women working under impossible physical and moral conditions. He stopped it.

He found greed poisoning the food of the people. He scourged the food adulterators beyond the boundary of the Commonwealth.



He found the factories breeding places of disease. He forced sanitary conditions in the shops.

And when, through the removal of the plug of privilege, hundreds of thousands of added revenue poured into the treasury, he turned it over to the schools and to the university which he made one of the most inspirational educational institutions of the age.

He found Wisconsin a feudal barony; he left it a democracy. He found it in the grasp of privilege; he restored it to the service of the people.

And then, as Jefferson had done before him, he went forth to fight for the extension of the blessings of progressive democracy to every State beneath the flag. Hate went before to prepare for his reception, and with the old, gay smile upon his fighting face he went forth gallantly to meet it.

Never more desperate need for crusaders against privilege and corruption than when La Follette and Bryan began their memorable crusades a quarter of a century ago. Privilege was everywhere entrenched. The system was complete. The trend to unregulated monopoly was unquestioned. The dream of Federalism was coming true.

Men could buy nominations and elections and recoup their private purses or their party chest by selling legislation. The press was for the most part silent. The Senate was a checker board reserved for the playing of three or four men who represented privilege and nothing more. To mention human rights was to invite suspicion. Never had the Government been more completely alienated from the people. It was the private agent of exploiting groups, and when the people had paid the price of maintenance their connection ceased. The people were inert, helpless, hopeless, almost ignorant of their wrongs. And then the voices of La Follette and Bryan were heard in the land, and the people stirred uneasily in their slumbers and then awoke, arose, and arose cheering and ready for battle.

The national program of La Follette rested on a broad foundation. It was to dedicate his genius as crusader and constructor to the redemption to the people of the government of the people and for the service of the people and all the people.

He proposed to tear away the fungus growth of privilege from the temple of liberty, to sweep away the barricades of money bags and let the people in to the keeping of their covenant.

His plan was twofold—to restore to the people the powers in government of which they had been deprived and to deprive the privileged of the powers of exploitation with which they had been armed.

They said this was a dangerous innovation. That was false. His program was as old as the realization of human rights and all he proposed to do was to apply the principles of Jeffersonian democracy to the changed economic conditions of the times.

They said he was a radical. Well, from the time the Christ scourged the money changers from the temple to be crucified as a radical, radicals have been the torchbearers of liberty and human rights.

In a sense La Follette was a radical. The gallant figure who swept into the national arena in shining armor a quarter of a century ago was the kind of radical that the little group that stood and fought with Jefferson for the radicalism of democracy would have taken to their hearts.

He had his disappointments, but what achievements!

The things for which he fought a quarter of a century ago were called socialistic then; now they are written in the statutes. Then they were as radical as destruction; and now they are as conservative as common sense.

Along the pathway of the progress of the people are many milestones that mark advance, and many of the most imposing must bear the name of Robert M. La Follette. But every milestone meant a battle, nay, it meant a war. And every battle of every war found him on the firing line taking his scars and wearing them as insignia of honor. [Applause.]

Time would not suffice to enumerate the many reforms he helped to bring about. Public carriers are more responsive to the public needs. He fought for that. Men are more equitably taxed in accordance with their capacity to pay. He fought for that. Men now enter the Senate with a mandate from the people and not a mere blue print from a board of directors. He fought for that.

Public opinion now demands a full publicity for the source of campaign contributions and he and others touched the public conscience and created the popular demand.

He found that the men who go out upon the sea in ships had been forgotten in the general emancipation of mankind and he fought a gallant battle and made them free.

He was in the forefront of the struggle for the emancipation of the mothers of men; he fought unceasingly against the grinding of the minds and bodies of children into dividends in factories and shops; he stood four square against the extortions of unregulated monopoly; his was the first voice raised in warning against the alienation of the Nation's oil reserves; and his memorable battles for the preservation of the people's heritage in their natural resources for the uses of the people is an inspiration and a source of strength to those who must carry on the never-ending battle for public rights.

The meaning of this man to posterity can be expressed briefly. In a century and a half of history he was one of the keenest and most constructive champions of democracy in the never-ending war against reaction; one of the most persistent and devastating enemies of privilege; one of the most uncompromising foes of corruption; one of the greatest commoners of all time, standing always for social justice and the humanizing processes of government.

The glory of this man was in his glorious humanity, his sincere love for his fellow creatures, which, in statesmanship, he translated into service. Of him it can be truly said that there is not a farmer in the fields, not a worker at the forge, not a brakeman on a freight, not a sailor on the sea, not a woman at her task in home or shop, not a child in school or in the factory dreaming of the playground, who is not his debtor.

There is not a friend of popular government and the rights of man who does not stand before his memory at salute. There is not an enemy of corruption with whom he did not serve.

Here was a statesman of heroic mold who turned his back on opulence and ease to dedicate his God-given gifts to the service of the masses. The path he chose was rough, beset with ambuscades, and always it was long, and often it was lonely, but gaily and gallantly he pushed on to his self-appointed tasks unfaltering in the faith.

His fame is written in the statutes, his name in history, his memory in the hearts of men.

His monument belongs in the Capitol of the country because he served it with all his mind—and it was the best of minds—with all his heart—and it was the warmest of hearts—with all his soul—and it was the whitest of souls—and because in all his public acts he symbolized the noblest tradition of the Republic. [Prolonged applause.]

## HOUSE OF REPRESENTATIVES

THURSDAY, April 25, 1929

The House met at 12 o'clock noon and was called to order by Mr. TILSON as Speaker pro tempore.

The SPEAKER pro tempore. The Clerk will read the following communication.

The Clerk read as follows:

THE SPEAKER'S ROOM, April 25, 1929.

I hereby designate Hon. JOHN Q. TILSON to act as Speaker pro tempore to-day.

NICHOLAS LONGWORTH.

The SPEAKER pro tempore. The Chaplain will offer prayer. The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty Father, hear us as we greet the day, in which there is no adverse stroke of trouble or fate; we therefore thank Thee. Behind the curving sky; beyond that mysterious shore, where the night winds murmur; out through the stretches of space, Thou art God, infinite in wisdom and power. How we wonder! How we marvel as we think of Thy condescension and the guidance of Thy blessed providence. In Thy light we shall see light. O help us to read life's meaning in the light of Thy goodness and mercy. Duty and loyalty are our trusts; clothe us with Thy Spirit and direct the way; be our life's star; bless us with contentment and give us the heart that sheds its silent glow upon others. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

### FARM RELIEF

Mr. HAUGEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 1.

The motion was agreed to.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. MAPES] will please take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 1, with Mr. MAPES in the chair.

The CHAIRMAN. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 1) to establish a Federal farm board to promote the effective merchandising of agricultural commodities in interstate and foreign commerce, and to place agriculture on a basis of economic equality with other industries.

Mr. KINCHELOE rose.

The CHAIRMAN. For what purpose does the gentleman from Kentucky rise?

Mr. KINCHELOE. I ask unanimous consent, Mr. Chairman, for a minute to ask the chairman of the Committee on Agriculture a question.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KINCHELOE. Mr. Chairman, in order that the membership of the House might know, I think it would be a good idea to inform us if it is the intention of the chairman to complete this bill to-day.

Mr. HAUGEN. Yes.

Mr. KINCHELOE. Is it the intention of the chairman to say that we will stay here and keep a quorum until the bill is disposed of to-day?

Mr. HAUGEN. Yes.

Mr. HASTINGS. Why not postpone the completion of the bill until next Monday? We have plenty of time.

Mr. KINCHELOE. We have been here in session all the time for several days. I concur in the statement of the chairman.

Mr. HAUGEN. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HAUGEN: Page 10, lines 23 and 24, strike out the word "substantial" and insert in lieu thereof the word "unduly."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. PURNELL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Indiana.

The Clerk read as follows:

Amendment offered by Mr. PURNELL: Page 8, strike out lines 12 to 16, inclusive, and insert in lieu thereof the following:

"(3) No loan for the construction, purchase, or lease of such facilities shall be made unless the cooperative association demonstrates to the satisfaction of the board that there are not available suitable existing facilities that will furnish their services to the cooperative association at reasonable rates; and, in addition to the preceding limitation, no loan for the construction of facilities shall be made unless the cooperative association demonstrates to the satisfaction of the board that suitable existing facilities are not available for purchase or lease at a reasonable price or rent."

Mr. PURNELL. Mr. Chairman and ladies and gentlemen, the amendment I have offered is a committee amendment and is for the purpose of clarification. It is our desire to make as clear as language will make it the purpose the committee had in mind when it drafted paragraph 3 under section 5 on page 8.

A number of gentlemen in debate here have clearly indicated that they do not understand it, and in the judgment of the committee the language is somewhat involved. I realize that it is hard for the members of the committee to keep in mind the specific language; therefore I shall read it over to you slowly. This amendment is offered as a substitute for paragraph 3 on page 8, and has to do with loans for construction, purchase, and lease of facilities to cooperative associations. The amendment which I offer, for and on behalf of the committee, reads as follows:

No loan for the construction, purchase, or lease of such facilities shall be made unless the cooperative associations demonstrate to the satisfaction of the board that there are not available suitable existing facilities that will furnish their services to the cooperative associations at reasonable rates.

I will stop there. That is the first half of this amendment. We want to make it absolutely sure that we are not going to destroy legitimate existing business by loaning Government

funds to any cooperative association that will duplicate existing facilities and thus put those existing facilities out of business.

We had that in mind when the paragraph was drafted, but, as I said a moment ago, the language seems to be involved and we want to make it perfectly clear.

Therefore the first part of this amendment means that no loan for construction, purchase or lease shall be made to a cooperative association if that cooperative association can utilize, by rental or otherwise, without purchase, facilities that already exist.

Now, the second part of the amendment—

Mr. BANKHEAD. Will the gentleman yield?

Mr. PURNELL. In just a second. I shall then be pleased to yield.

The second half of the amendment provides, in addition to the preceding limitations—

No loan for the construction of facilities shall be made unless the cooperative association demonstrates to the satisfaction of the board that suitable existing facilities are not available for purchase or lease at reasonable price or rent.

Now, gentlemen, I do not know how language can be made any plainer than that, and I have tried to state what the committee had in mind, which is to protect legitimate business, and prevent its confiscation. It may also be added that neither the committee nor any of its members has any thought of suggesting that no money shall be loaned until these cooperatives shall take over by purchase or lease facilities that are not suitable. We certainly do not want to suggest that, but we also do not want cooperative associations using funds out of the Federal Treasury to build facilities across the street from existing suitable facilities and thereby put those who have been engaged in business for a great many years, out of business, without first making an effort to acquire them by purchase or lease.

I now yield to my colleague from Alabama.

Mr. BANKHEAD. I just want to get the gentleman's construction of the view of the committee as to what is included in the term "facilities," aside from warehouses. Does that include railroad tracks, elevators, and so forth?

Mr. PURNELL. I should say any facility that would be incident to the business, warehouses, storage houses, or elevators. The gentleman would have as good an idea as anybody else as to what might be included.

Mr. BANKHEAD. The term, then, includes anything that would be regarded as essential and necessary for the full administration of the business?

Mr. PURNELL. I would think so.

Mr. CHALMERS. Will the gentleman yield?

Mr. PURNELL. Yes.

Mr. CHALMERS. There is no question but there is safety in the intent of the committee and under the explanation of the gentleman from Indiana, but in the practical working out of this amendment the question is whether private owners of suitable facilities—men who have been building up a business for a number of years and have put quite a good deal of money into equipment—will in practical effect be put out of business. That is the thing I am anxious about. I am glad the gentleman has put this information in the Record. I do not believe there is any question about the intent of the committee and I do not think there is any question about the intent of Congress, but when it is worked out that is another matter.

Mr. PURNELL. I do not yield for a speech. I thought the gentleman was going to ask a question.

Let it be said in this connection, frankly, because we are not trying to deceive anybody, we are encouraging cooperative marketing under the terms of this bill, and the result may be to hamper, or may ultimately put out of business, some of the existing marketing agencies in this country.

If that be necessary to do the things that we say and think are necessary in this declaration of policy, that is one of the natural consequences that may come, but the committee does also want to make it clear that if we do hamper or hamstring or tend to put out of business existing marketing agencies and set up new ones through the aid of the Federal Treasury, we do not want them set up until they have made an effort and a showing that they can not purchase or lease existing facilities, provided, first, that they are suitable for the business, and that is a matter I assume will have to be worked out between the board and the cooperatives; and, next, that they can be purchased for a reasonable price or rented upon reasonable terms.

Mr. LAGUARDIA. Will the gentleman yield right on that point?

Mr. PURNELL. Yes.

Mr. LAGUARDIA. You do not include the two. Now, suppose there are suitable facilities but it is impossible to obtain



them at reasonable rates, would the one condition in itself permit the loan to be made?

Mr. PURNELL. I think so; yes.

Mr. VESTAL and Mr. LANKFORD of Virginia rose.

Mr. PURNELL. I yield to my colleague from Indiana.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. VESTAL. Mr. Chairman, I ask unanimous consent that the gentleman may have five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. VESTAL. Let me ask the gentleman a question. I am satisfied that the committee has in mind the same object I have, and I have been opposed to this subdivision 3, but the language in the amendment does not seem to me to reach the point exactly. The language is:

No loan for the construction, purchase, or lease of such facilities shall be made unless the cooperative association demonstrates to the satisfaction of the board that there are not available suitable existing facilities that will furnish their services to the cooperative association at reasonable rates—

Rates of what? That is what I do not get.

Mr. JONES of Texas. Rental rates.

Mr. VESTAL. Why not put that in?

Mr. PURNELL. The purpose of that first part is to take care of a situation that I should think would be more or less remote, and that is this: It says here that you can not even lease until you have made an effort to acquire facilities from some existing agency. I have in mind that they might want to rent a portion of a building or storage space in an abandoned existing facility, or even share jointly existing facilities with those who own them.

Mr. VESTAL. May I ask my friend what would be the objection to saying "rental rates"? Will not that make it absolutely clear?

Mr. PURNELL. The word "rates" suggests a service charge and that is what is contemplated under the first half of this amendment.

Mr. VESTAL. I may be a little squeamish about the matter, but I am really interested in it.

Mr. PURNELL. I will say, very frankly, this is one of the most important matters we had to consider in the committee; and even after the bill had been drafted and presented we went back over it, and not being entirely satisfied, called in the drafting service again and gave considerable thought to the phraseology of this particular amendment. The committee believes that this amendment says what we want to say, and I have tried, to the best of my ability, to make clear the intention of the committee so that there may be no misunderstanding hereafter.

Mr. LANKFORD of Virginia. Will the gentleman yield?

Mr. PURNELL. Yes.

Mr. LANKFORD of Virginia. I thoroughly approve of the amendment; in fact, I have one drawn along the same lines, but will the gentleman refer to lines 13 and 14 on page 7? I am asking this for information, because I think it is very important. Line 14 limits the loans to physical marketing facilities, does the committee think those words "physical marketing facilities" include, for instance, processing plants for milk or canneries for vegetables?

Mr. PURNELL. I think, perhaps, that matter will be discussed a little later. I know what the gentleman has in his mind.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana.

The amendment was agreed to.

Mr. ANDRESEN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 10, after line 26, insert a new subdivision to read as follows: "(f) as used in this section the term 'physical marketing facilities' shall include dairy processing facilities."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken, and the amendment was agreed to.

Mr. JONES of Texas. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 10, line 21, strike out all of subsection (e).

Mr. JONES of Texas. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

Mr. CLARKE of New York. Mr. Chairman, I understand that while I was out the gentleman from Indiana [Mr. PURNELL] was given 10 minutes, so I will defer my objection at this time, but I give notice that I shall defer no more.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES of Texas. Mr. Chairman, I am inexpressibly interested in this amendment because it is the principal reason why I could not vote to report this measure favorably. I think the whole philosophy of this paragraph is wrong, as it in effect destroys practically all of the opportunities of those who produce a surplus crop to get any advantages from this bill.

There are certain great crops produced in surplus quantities as far as domestic markets are concerned and one of these great crops is cotton, which is normally and necessarily produced in quantities more than twice as much as is necessary for domestic requirements.

The purpose of the producers of food and raw clothing material is not simply to supply industry, it is a business. I like the expression of my friend from New Jersey [Mr. FORT] when he said he wanted by this bill to weave agriculture into the same basic situation with industry. In that sentiment I heartily concur.

Of course it is not desirable to unduly increase the production of a commodity. But that is a far different question from the denying all of the benefits of this bill to the growers of any crop that is produced in surplus quantities simply because the board may be of the opinion that the amount of the crop might be temporarily unduly increased.

Do you wish to destroy the position cotton now holds in the commerce of the world? If you expect to reduce the commodity to the domestic supply—to destroy a great business and prevent us maintaining our world position in so far as the balance of trade is concerned, you would, in my judgment, produce a great tragedy.

To show you the absurdity of directing the board to withdraw loans when in its opinion it would tend substantially to unduly increase the surplus, suppose you wrote into the tariff bill that if, in the opinion of the President, the tariff unduly increased the production of steel in this country he should take all the tariff off of steel. Suppose you went farther and, instead of saying he might take the tariff off, you should say he must take the tariff off—after the business of steel had set its wages, its sales organization on the basis of a protective tariff. What would you think of such a stipulation?

If you wrote such a provision into the tariff bill, the minute there was a surplus of steel or an undue surplus over the domestic supply the whole tariff on that commodity would be torn down and wrecked as the result.

The tariff, or something else, has caused a surplus of many commodities protected by the tariff. Did we take the tariff off for that reason?

In 1927 we produced more iron and steel than was necessary to meet the domestic requirements, and we exported \$86,000,000 worth to foreign countries. Would you consider taking the tariff off for that reason?

The trouble with the philosophy of this paragraph is that agriculture is treated as if its whole business were the feeding of industry. It should be treated as a business the same as any other activity.

Of course a surplus is sometimes undesirable, but is that any excuse for a wrecking process?

Of steel mill products we export an additional \$73,000,000; of aluminum, \$14,000,000; noniron metals to the extent of \$216,000,000. Yet no one suggests withdrawing of the tariff benefits from the manufacturers of these commodities simply because there seems to be an undue increase in those commodities.

This measure might operate a good deal like the power exercised by the Federal Reserve Board in 1921. They were given the power to increase the rediscount rates. They did that suddenly, and wreckage resulted all over this country. Men saw their savings of a lifetime disappear like the mists of the morning. Men who had been well-to-do found themselves in want. I do not think the Federal Reserve Board meant to do that damage, but they had the power and they used it. You not only give this board a similar power but you direct them to use it. The Federal Reserve Board, after it had encouraged loans, turned around and refused further loans except on impossible terms. Wreckage resulted. Suppose in cotton or in wheat the board under this bill made the cooperatives a loan to get the business started. Then suppose they reach the conclusion that any further loans for that particular year would stimulate production unduly; they would have no choice under this bill but to refuse any further loans. Wreckage and ruin would ab-

solutely and necessarily follow, including the loss of advances already made. Surely the Congress does not want to do that.

That is the trouble with this measure as it is capped by this provision. Why leave this provision in the bill? Without it they have the power to make or not to make loans. The Federal farm board by this measure can refrain or not refrain from making loans, but by this provision, even though they have made some loans and started a cooperative and the farmer in good faith has obligated himself through his cooperative for the handling of this product, and the board finds that in the development, if they went ahead and finished making the necessary loans that may be needed, in their opinion it would unduly stimulate production, then I ask what else could the board do but refuse the loan? Do you want to handicap the board? Do you want to make it an instrument of destruction? To my way of thinking this is of tremendous importance. This means disorder, it means taking away from a man the control of his products. When a man grows a bale of cotton under a summer sun and picks it under the autumn skies and carries it to market in a free country, he has a right to sell that commodity in the open market without having a Federal board, by first promising and then withholding loans, pronounce shipwreck upon his markets—this through no fault of the board, but because we passed a law which forced them to do it.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. JONES of Texas. Yes.

Mr. ANDRESEN. Does the gentleman feel that under the terms of this section the board may withdraw existing loans already made?

Mr. JONES of Texas. No; not existing loans; but suppose the cooperative association says, "We do not want to make any more loans than we have to at present. We do not want to pay any more interest than we need to. It will take \$100,000 to start this thing, but we do not want to borrow all of the money until we need it." Suppose the board makes a hundred thousand dollar loan and they start the machinery. Then the cooperative finds that it needs some more loans, the board, if there were an apparent—even though temporary—surplus, would be forced to deny this loan, and the farmers interested would lose their money.

I would like to vote for this bill. I would probably do so if it were not for this provision, even though I think the bill is worth but little.

I hope that when the bill reaches the Senate it may so amend it as to correct this glaring error, in which event I shall support the conference report at final passage.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. KINCHELOE. Mr. Chairman and gentlemen of the committee, I confess that I am somewhat surprised at the opposition that has developed to this subsection. This is the first that I knew that any member of the Committee on Agriculture objected to it. I do not say that the gentleman from Texas did not object.

Mr. JONES of Texas. I offered to strike it out in committee.

Mr. KINCHELOE. I accept the gentleman's statement. I was very much surprised at the speech of my ordinarily conservative friend from Texas [Mr. SUMNERS], made yesterday. There is no one whom I love more than I do him, and no man in the House whose ability I respect more. I am frank to say, however, that I never heard the gentleman make a more intemperate speech than he did yesterday. It may be true that we members of the committee who are in favor of keeping this in have not the good sense the gentleman from Texas and the gentleman from Kansas say they have, and I am not going to dispute that, but to me this is one of the best provisions of the bill. The purpose of putting this in the bill is to keep down overproduction, and the only specific provision in the bill that undertakes to do that. The anomaly of the argument that comes on the floor of this House on this bill is that you hear one Member get up one day and talk about plenary powers that we give the board, and then when an attempt is made to strike a provision like this you will hear another one get up and say that we ought not to circumscribe their powers at all.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. KINCHELOE. No; not now. I happen to represent a district where we raise a whole lot of what are commonly known as exportable commodities. We raise a type of tobacco which is 80 per cent exportable, and we raise wheat and we raise corn that are exportable. There was one thing, if no other, that leaders of the farm organizations got together on in this bill. They wrote the members of the Committee on Agriculture and, I presume, every Member of Congress, setting out the items upon which they had agreed to go into the farm bill. And one was a provision in the bill that would control automatically the production of commodities where we

raise an exportable surplus. This provision does not go that far, but it does try to control exportable surplus. We know the major crops that we raise an exportable surplus of are cotton, tobacco, corn, and wheat. Are you going to say to that board, by striking out this provision, "You can take money out of the Federal Treasury and loan it to a cooperative marketing association that raises products of which we commonly raise an exportable surplus without any limit at all," so that they might plow up their gardens, clear up the rest of their forest lands, and drain their swamp lands, and plant them in cotton and in tobacco, in corn, and in wheat? What disastrous result will that lead to if you give this board plenary power to do that?

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield there?

Mr. KINCHELOE. Yes.

Mr. JONES of Texas. Does not the gentleman think that by leaving out that provision the board is still required under the provision not to make a loan unless it has a prospect of repayment?

Mr. KINCHELOE. Then, let it stay in. [Applause.] That is not the thought in the mind of the gentleman from Texas. You have a big State out there.

Mr. JONES of Texas. I agree with you on that.

Mr. KINCHELOE. We all know the disastrous result of overproduction. It has been the case with my tobacco farmers. Notwithstanding the fact that we raise 80 per cent of exportable surplus, I want to get my good farmers down home to quit raising so much tobacco and raise some other products of which we have not an exportable surplus. [Applause.] I want to give this board power to do that.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. WILLIAMS of Illinois. Mr. Chairman, I ask unanimous consent that the gentleman be given five additional minutes.

Mr. CLARKE of New York. I object.

Mr. KINCHELOE. I want to see to it that this will not take it out of the power of the board to do that. [Applause.]

Mr. SUMNERS of Texas. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. I suggest to the gentleman that we had better first dispose of the Jones amendment. The question is on the amendment offered by the gentleman from Texas [Mr. JONES].

Mr. SPROUL of Kansas. Mr. Chairman, I offer an amendment to the Jones amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Kansas.

The Clerk read as follows:

Amendment offered by Mr. SPROUL of Kansas to the Jones amendment: Page 10, line 21, strike out the word "No"; change small letter "l" to capital "L" and add letter "s" to end of word "loan," and add the suffix "ments" to word "advance," and add the letter "s" to the word "agreement."

And in line 23, strike out the word "unduly."

Mr. HASTINGS. Mr. Chairman, may we have it read as it would appear amended?

Mr. WILLIAMS of Illinois. Mr. Chairman, I make the point of order that the gentleman's amendment is not in order. The amendment of the gentleman from Texas was to strike out the paragraph.

The CHAIRMAN. The Chair thinks that a perfecting amendment to the paragraph would be in order. The Clerk will report the paragraph as it would read as proposed by the gentleman's amendment.

Mr. DENISON. Mr. Chairman, I do not think that is an amendment to the Jones amendment. It is rather an amendment to the bill. The gentleman from Kansas offered it as an amendment to the Jones amendment.

The CHAIRMAN. The Chair construes it as an amendment to perfect the text.

Mr. CRISP. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CRISP. Is not this the practice of the House, that where a motion is made to strike out a section, an amendment to perfect the text should be disposed of first, and before a vote on the motion to strike out?

The CHAIRMAN. The gentleman from Georgia is correct. The Chair assumed that the amendment offered by the gentleman from Kansas is to perfect the text.

Mr. DOWELL. Mr. Chairman, in its present form the amendment is not in order.

The CHAIRMAN. The Chair thinks that in the form in which the amendment is offered the gentleman is technically correct, but the gentleman can modify his amendment so as to make it comply with the rule.



Mr. SPROUL of Kansas. Strike out the heading of the amendment with reference to the Jones amendment. Let the Clerk read it as it will appear.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Amendment offered by Mr. SPROUL of Kansas: "No loan or advance or insurance agreement under this act shall be made by the board if in its opinion such loan or advance or agreement is likely to increase unduly the production of any agricultural commodity of which there is commonly produced a surplus in excess of the annual domestic requirements."

Mr. SPROUL of Kansas. Mr. Chairman, I wish to further amend by striking out the word "unduly."

The CHAIRMAN. The gentleman from Kansas is recognized for five minutes.

Mr. SPROUL of Kansas. Mr. Chairman, I rise in all sincerity and earnestness in behalf of my motion to amend section (e) of the bill, which reads as follows:

(e) No loans or advance or insurance agreement under this act shall be made by the board if in its opinion such loan or advance or agreement is likely to increase substantially the production of any agricultural commodity of which there is commonly produced a surplus in excess of the annual domestic requirements.

Wheat has been selling from 85 cents to \$1 per bushel in Kansas for some considerable time. This price is considered very low; upon an average but little, if any, above the cost of production. Upon an average, such a price represents no profit to the producer. For some considerable time the annual wheat production in the United States has been eight or nine hundred millions of bushels. Two hundred or more millions of bushels represents an exportable surplus. A large part of this wheat is produced from lands specially adapted to producing wheat alone.

Wheat, cotton, corn, and tobacco are farm products produced in the United States in excess of domestic demand; wheat 25 to 30 per cent as an exportable surplus. In corn and tobacco the exportable surplus may not be so great, while the per cent of exportable surplus of cotton produced in States specially adapted to the production of cotton is much greater than the per cent of surplus of wheat over and above domestic consumption. These are the farm products which have been selling largely at the world market prices. The protective tariff has not been and is not now benefiting the American price of these commodities. But the farmer producers, in effect, are competing with similar products of the world. These are the products for which the farmers seek better prices, seek benefits under a protective tariff system. The producers of these products are largely the United States farmers needing governmental aid.

This bill is supposed to be enacted largely for their benefit. It is called a cooperative bill and contemplates cooperative farm associations being formed throughout the States producing wheat, cotton, corn, or tobacco, which will control at least 75 per cent or more of the products, and that the prices on these products may be controlled and fixed by the owners of the products. These products can not be held by cooperatives without plenty of cheap money to be loaned upon the products and to be advanced to the owners of the farm products until the product is sold.

What the farmers need and what they want for their products is such price as would put the value of the product on a parity with the products they are required to buy from manufacturing industries. What these farmers need and request is the loan of money at a reasonably low rate of interest to enable them to control the price of their products. It is admitted that this bill can not accomplish anything, unless the cooperative organizations are organized and can control 75 or more per cent of the product. It is admitted that there must be some inducements to the farmers for them to become members of these cooperative associations. Yet we find in this bill, section (e) which I have just quoted, states that no loans shall be advanced by the board if such would have a tendency to unduly increase the price of the product. In other words the needy farmer for better prices, is asked to go into the cooperatives to get better prices for his product and yet he is told if the loan would help him to increase the prices which he needs, then it will not be made. I submit, members of this committee, that section (e) not only is not an aid in getting farmers to go into cooperatives but it is a deterrent to keep them out of cooperatives. In this connection I called attention to another portion of the bill setting forth the policy and purpose of the bill to prevent and to control surpluses in agricultural commodities. That portion

of the bill I had heretofore unsuccessfully moved to have stricken out.

I believe it to be unwise to encourage manufacturers of this country to produce exportable surpluses over and above our domestic requirements and to spend more than \$1,000,000 in their encouragement, as we are doing annually, as we are doing on the one hand while on the other hand, as set forth in this bill, it is proposed to enact legislation to prevent the production of exportable surpluses to bring money into this country for the farmers.

Section (e), I repeat, can not but help discourage the membership in cooperative organizations, without which this law will not function. Members of the committee, I ask how you can get farmers to go into cooperative organizations, when you tell them that the board shall not loan money for the purpose of advancing the price of the depressed industry. This section will have a nullifying, a dormant making and maintaining of this law. The declared policy and purpose of the bill, together with certain provisions in the bill, including section (e), make it clear that the producing farmers of the country who actually need help can not get it. Instead of section (e) prohibiting loans, which would have a tendency to increase the prices of the product, it should do just the opposite. It should require the farm board to loan money for the purpose of enabling the farmers to raise the price of their commodity to a parity with those of the manufacturing industries.

Both the Democratic and Republican national platforms have declared in favor of legislation which would enable the farmers to secure such prices for their products as would put them on a parity with the prices received by manufacturers. But this bill in section (e) says that no loans shall be made if by so doing the price of the commodity would be materially or unduly advanced thereby. My amendment to the section (e) strikes out the first word "no" and adds "ments" to the word "advance" and "s" to the word "agreement" and changes "is" to "are" so that the bill when amended would read: "Loans or advancements or insurance agreements under this act shall be made by the board if in its opinion such loans or advances or agreements are likely to increase substantially the production of any agricultural commodity of which there is commonly produced a surplus in excess of the annual domestic requirement."

So that it will be seen that my amendment proposes that the farm board will not only encourage the farmers to go into organizations whereby they may secure better prices for their products and be placed on a parity of values with manufacturing industries, but agriculture then would be receiving from the Government the same kind of aid which is being advanced to manufacturers to encourage them to produce a surplus beyond domestic consumption. It certainly does not look well nor seem well for the farmers to realize that more than a million dollars is being expended annually to 154 high-salaried traveling salesmen in foreign countries finding markets for manufactured goods on the one hand, and upon the other saying to the farmers we are going to pass legislation to prohibit you from producing an overproduction.

Why, Mr. Chairman, may not the industry of agriculture receive the same favorable attention that the manufacturers receive?

It is my purpose to vote for this bill, but in doing so I can not help but have doubts that it will function in the interest of those needing aid. To me it can well be likened, in its power to function, to an automobile containing all of the essential parts to function, save and except a clutch or some indispensable, but missing part. I fear that with section (e) in the bill, as it now is, there will be no aggressive potent farm organizations to control a majority of any farm product. We therefore most respectfully urge the adoption of my amendment requiring loans to be made. It would have a great tendency to put agriculture on a parity with the nonagricultural industries. While I expect to vote for the bill, even though it does contain the provision in section (e), denying loans to farmers who produce the commodity which is produced in excess of domestic requirements; and even though I firmly believe that such provision in the bill, together with the provision declaring it to be the purpose and policy of the bill to prohibit and control the producing of surpluses beyond domestic requirements, and even though I fear such provisions and others will prevent the bill functioning, yet I know when it may be demonstrated that it will not satisfactorily function in its present form, it be amended in such way that it will function. The bill, in my judgment, has other serious defects than those to which I have called attention, but they, too, can be remedied

or eliminated when it may be found they are hurtful to the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The amendment was rejected.

Mr. RANKIN. Mr. Chairman, this is the most dangerous provision in the bill. Let me tell you men from the cotton States that you had better beware of Greeks when they come bearing gifts.

If there was anything in this bill for the cotton growers, if there was anything for the wheat growers, you would not see the old guard from the Northeast, the tariff barons from New England, supporting it and denying our right to amend it.

Not more than one member of this board would come from a cotton-growing State. I do not think we would even get one of them. We always make a surplus of cotton. It will be no trouble for the majority of this board, composed of these seven wise men from the East, to decide that we are likely to over-produce and withhold loans from us.

Oh, but you say you will not be any worse off than you are now. Do not deceive yourselves. They can break every cotton grower and every small merchant in the country with one statement, just as the Bureau of Economics did in 1927.

I am not questioning the integrity of the men on the Agricultural Committee, but this provision in the bill is a betrayal of the cotton growers of the South and should be eliminated.

Mr. McKEOWN. Mr. Chairman, I rise in opposition to the amendment. I am surprised that my friend from Texas [Mr. SUMNERS], whom I highly admire, should take issue in regard to these agricultural matters. I am not surprised at my friend from Mississippi [Mr. RANKIN], for whom I have the highest regard, because we can hardly please him in any legislation at all. [Laughter.] But if there is any country on earth that needs this legislation it is the cotton growers of the South, and I will tell you why.

When you augment the price of cotton up to where it is exceedingly profitable, they will go to work and plow up the meadow land and the pasture land, wherever they can, and put it in cotton. Out in Texas, where they have vast acres unfilled and unturned—where they can take one man and a team and cultivate a hundred and sixty acres of cotton—they will put the whole country into cotton, and the poor little farmers in Georgia, South Carolina, Alabama, Mississippi, and Oklahoma will have to go broke because his Texas neighbors can outgrow them in cotton.

Mr. RANKIN. Will the gentleman yield?

Mr. McKEOWN. I yield.

Mr. RANKIN. The gentleman has joined the cabal against the cotton farmers. The cotton farmers have never done that.

Mr. McKEOWN. I am telling you what the condition of the cotton farmer is, and I am one of them. He will plant his whole acreage in cotton, take his wagon to town without a thing to sell, load it up with meat, corn, and butter and a lot of other things that he ought to be raising at home and selling. The same is true of the wheat farmer.

I hope this provision is carried out and you will make it profitable for these 1-crop farmers.

I read the other day that a man could travel over a lot of country and he would not see a cow in a mile, and he would not see a hog in a half mile. Whenever our cotton farmers raise food and supplies for the home and his cotton for a surplus he will be getting into the right road.

Mr. BROWNING. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. BROWNING. If all the farmers are in that condition why are you agitating this legislation?

Mr. McKEOWN. For this reason: When you amended the Federal reserve banking act and deflated the prices of his hogs, cattle, and property, and he was forced to put it on the market and sell it because he could not pay his debts, you broke him, and he has never had any kind of legislation to help him to start back. He has been raising more things to eat at home to-day than he did in 1920, because he has no money with which to pay and he must live. He can not get any credit at the banks unless he plants cotton nor can he rent land in many instances unless he will plant cotton.

Mr. BROWNING. One purpose of this bill is to handle surpluses when they occur.

Mr. McKEOWN. Yes.

Mr. BROWNING. If this paragraph is left in, if you have a surplus, you can not use the bill at all.

Mr. McKEOWN. That paragraph means this, if the board has any common sense. You raise a surplus in 1928, and the board, from the information that it receives from the different departments, finds that for the next year that we will need only 14,000,000 bales of cotton. Then, would you not think it

proper to have a check on increased acreage in cotton for the next year? [Applause.]

The CHAIRMAN. The time of the gentleman from Oklahoma has expired. Without objection, the pro forma amendment will be withdrawn.

Mr. STEAGALL. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. STEAGALL: Page 10, line 26, strike out the word "domestic" and insert in lieu thereof the word "market."

Mr. STEAGALL. Mr. Chairman, the amendment just read provides that in deciding to withhold loans because of increase in production the board shall measure production by world market demands instead of a limited domestic market. I can not see any valid reason for discriminating against the producer of surplus products and the producer who produces a limited amount. If there is a world market accessible to any product, there is no sane reason that I can see why we should direct the board to discriminate against the producer of that product simply because the surplus is sold abroad. [Applause.] Are surplus crops to be treated as national evils? Is it not from surplus crops that we obtain our balance of trade? This section of the bill provides for withholding loans to producers of surplus crops because of increased production, notwithstanding the demands abroad may increase in greater amounts than production. If the production of cotton should increase 1,000,000 bales, the board could withhold loans, notwithstanding demands abroad might increase 2,000,000 bales. Surely we should not do that. The whole truth is—the underlying thought and philosophy of this provision of this bill—is economically unsound and ridiculous. There never has yet been in the true sense of the word an overproduction of any commodity necessary for the welfare of mankind. The thing from which the toiling masses of the world suffers is unjust and unequal distribution of the proceeds of labor. There has never been an overproduction of wheat as compared to the appetites and the physical well-being of the consuming millions of the world. There never has been an overproduction of corn as compared to the amount that is good for the human family, and there never has been an overproduction of cotton when considered in the light of the need for cotton goods and cotton material. The men, women, and children, white and black, who plant and chop and hoe and plow and pick and gin and spin the cotton crop of the South are without cotton clothes enough to make them comfortable, even in the mild climate in which our great cotton crop is produced. There has never been a day when the cotton farmers and the producers of the Southern States have had cotton clothes enough properly to cover their bodies, to say nothing of tapestries in the homes and carpets on the floors and the surplus of bed clothing and the comforts that ought naturally to go to all human beings, more especially to those who produce the very products out of which those fabrics are made. There never has been one drop more of water in the ocean than is good for mankind. There is not a leaf in the forest that was not put there by the All-Wise Father for His glory and for man's good. God does not do things in a foolhardy way. The theory underlying this section rests upon a mockery of divine Providence.

If the philosophy which underlies this provision is sound, we can solve all of our overproduction problems in one day by importing anarchists and supplying them with torches and authorizing them to go to the warehouses and destroy our surplus and send it up in flames. It is a ridiculous thing, but especially ought not such a provision as this to go into this bill, when it only gives power to the board to discriminate against those who produce surpluses only in the sense that they produce more than can be sold in the domestic markets, and leave out of account the demand throughout the world for those products. The gentleman from Texas [Mr. SUMNERS] is right. If you are going to trust this board that is supposed to exercise unprecedented wisdom with all of the powers contained in other provisions of this bill, let us trust them in dealing with farmers who produce our great surplus crops. If we are going to give them the power to make loans, we ought to be willing to trust them with power to decide whether loans should be withheld. Members who rest their main arguments in support of this board, upon the vast powers to be placed in the board, should stand by their contentions and trust the board to act wisely in deciding when loans should be withheld. I call upon these Members to trust the board!

Mr. PATTERSON. It has been admitted that this board has that power. Is it not unfortunate that we are going to direct them to use it?

Mr. STEAGALL. They have the power to refuse or not refuse, but under this provision we direct them to discriminate against one class of producers and that is the class who produce



the great surplus crops that bring our balance of trade, the crops that make other nations dependent upon us. These are the producers who enable us to dominate international trade and to exercise a controlling influence in the financial and diplomatic affairs of the world. We ought not to discriminate against this class of producers. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Texas [Mr. JONES] to strike out the paragraph.

The question was taken; and on a division (demanded by Mr. JONES) there were—ayes 50, noes 128.

So the amendment was rejected.

Mr. CRISP. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CRISP: On pages 6 and 7 of the bill, strike out paragraph (a) of section 5 and insert in lieu thereof the following:

"SEC. 5. (a) There is hereby authorized to be appropriated the sum of \$500,000,000, which shall constitute a revolving fund to be administered by the board, of which amount the sum of \$100,000,000 is hereby appropriated out of any money in the Treasury not otherwise appropriated, to be immediately available. The board is authorized to make loans and advances from the revolving fund as hereinafter provided. All such loans and advances shall bear interest at a rate to be fixed by the board. Repayments of principal upon any loan or advance shall be covered into the revolving fund. Payments of interest upon any loan or advance shall be covered into the Treasury of the United States as miscellaneous receipts."

Mr. HAUGEN. Mr. Chairman, I reserve the point of order on the amendment.

Mr. CRISP. Mr. Chairman, of course, I concede the point of order.

Mr. HAUGEN. I reserve the point of order.

Mr. CRISP. I am very much obliged to my friend for reserving it for five minutes.

Mr. Chairman, in offering this amendment, I have neither personal nor political pride of authorship, nor a desire to have any amendment I may offer adopted. But as a supporter of the bill, this amendment is offered by me as a constructive amendment to perfect it and make it effective.

I desire to appeal to the common-sense judgment of the House on the amendment. You have presented to the House—and it will pass—a farm relief bill which I understand is agreeable to the President, and you have set up machinery which it is hoped—although I personally doubt it—will be of material aid and benefit to the agricultural interests of the country; but you have not provided the farm board any funds whatever with which to function.

Now, I have no criticism to make of my friends on the Committee on Agriculture. They were acting under the rules of the House, and they were forbidden under the rules from reporting an appropriation. I have no doubt that is the reason why they did not include in the bill an appropriation to carry out the purposes of the act, for all agree an appropriation is essential.

Mr. TILSON. Mr. Chairman, will the gentleman yield?

Mr. CRISP. I have only five minutes, but I will yield.

Mr. TILSON. Is there any danger that under the practice of the House we will not make an appropriation when it is necessary?

Mr. CRISP. The gentleman is unnecessarily taking up a part of my time. There is no danger that Congress will not appropriate the money, because the Senate will correct our error when the bill goes over there, and they will put an appropriation into this bill, and the House will be again in the position of having the Senate correct one of its errors.

Now, what will economists, what will students who examine this act, what will the friends or enemies of this bill conclude when they examine this bill and do not find in it an appropriation? They will conclude the bill is worthless because it has no working capital. Republican leaders say an appropriation will be made after the bill is passed. Why require interested parties to search the RECORD to see if an appropriation is made in some other act? They should be able to see the whole picture in the bill itself. Why take two bites of the cherry when one is sufficient? What is the objection? You say the Committee on Agriculture is not an appropriating committee. That is so, but a pure technicality. But this matter was of sufficient importance for the President of the United States to call an extra session of Congress to deal with it. You gentlemen say you will not organize the Appropriations Committee. If you do not

organize the Appropriations Committee how will you make an appropriation except by suspending the rules? Are you not violating the rules of the House just as much by a suspension of them to pass an appropriation not reported by the Appropriations Committee as by authorizing the appropriation in the act now? You as Members have seen repeatedly the Committee on Appropriations bring in legislation on an appropriation bill, which they are not authorized to do, and a point of order knock it out, and then the Committee on Rules comes in with a rule and makes it in order, and that legislation then goes on an appropriation bill. Under existing conditions, why let a parliamentary technicality force you to do an illogical thing, when you say an appropriation is necessary?

I have not tried to embarrass the administration. I am friendly. I have not sought to do an impracticable thing. I have not asked that the whole \$500,000,000 be appropriated. There is no need for \$500,000,000 to be appropriated. I understand when an appropriation is made it is set apart on the books of the Treasury and will not be used for other purposes. For that reason I have not asked that the \$500,000,000 be available, but only that \$100,000,000 be made available, and if the board does not desire to use it you will not spend one cent. But if you make that appropriation, the House will be in an attitude that we have passed a bill which you believe will function and provided the money to operate with and we will not be placed in the attitude where those unfriendly to the bill can go out and say we have passed a bill to aid the farmers and provided no money to give vitality to it. Those unfriendly to the bill can say that you have presented to the farmer another gold brick. [Applause.]

Mr. TILSON. Mr. Chairman, I think the gentleman from Georgia is unduly alarmed in connection with this matter. We are following in this case the exact course that we pursue in all other legislation. We make authorizations by legislation. Sometimes the authorizations cover long periods, and then from time to time we appropriate under those authorizations as the occasion may arise.

This legislation is not different from any other legislation that has passed this House so far as appropriations are concerned. It is framed in accordance with our rules which undertake to keep legislation and the appropriations necessary to carry out the legislation separate. It is in accordance with the budget system to make an authorization and then have the necessary appropriations come regularly from the Committee on Appropriations.

Mr. BYRNS. Referring to the amendment of the gentleman from Georgia [Mr. CRISP], I do not know whether \$100,000,000 is sufficient. How does anybody know?

Mr. TILSON. The gentleman from Tennessee raises a most important question. No one knows and no one has even estimated how much should now be appropriated. We ought to make the authorization of the funds now, and then an appropriation can be made at any time. The fact that we can make an appropriation at any time will remove any danger of the nonexecution of the bill.

Mr. CRISP. Does not the gentleman believe in his heart that if this bill is sent to the Senate without an appropriation, when it comes back it will have an appropriation in it?

Mr. TILSON. I hope that it will not.

Mr. CRISP. Then the gentleman is an optimist.

Mr. TILSON. I am glad that I am an optimist.

Mr. CRISP. As a friend of the bill, I wanted to put it up to the House.

Mr. TILSON. As a friend of the bill I do not think that the appropriation should be made now.

Mr. LINTHICUM. A mere authorization does not compel the Committee on Appropriations to make an appropriation. In other instances that has been found to be the case.

Mr. TILSON. The House has usually backed up the Committee on Appropriations.

Mr. ASWELL. Will the appropriations be made at this session of Congress, in the opinion of the gentleman?

Mr. TILSON. It is expected that such appropriation as may be deemed necessary will be made, of course.

Mr. ASWELL. But the Committee on Appropriations is not organized.

Mr. TILSON. That fact will not stand in the way. We passed an appropriation bill here yesterday although we have not organized the Committee on Appropriations. There will be no difficulty in making an appropriation when the proper time comes.

Mr. ASWELL. At this session?

Mr. TILSON. Certainly.

The CHAIRMAN. Does the gentleman from Iowa make the point of order?

Mr. HAUGEN. I understood the gentleman from Georgia to concede the point of order.

Mr. CRISP. I concede the point of order if it is made, but I hope the gentleman will not make it but will permit the House to vote on it.

Mr. HAUGEN. I make the point of order, Mr. Chairman.

The CHAIRMAN. The gentleman from Georgia frankly concedes the point of order. The Chair sustains the point of order.

Mr. BRAND of Georgia. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Georgia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BRAND of Georgia: On page 7, line 4, after the word "rate," strike out "to be fixed by the board" and insert in lieu thereof "not to exceed 4 per cent per annum."

Mr. BRAND of Georgia. Mr. Chairman, the object of the amendment which I have submitted in line 4, page 7, of this bill, is to fix the rate of interest which the farmers, eligible under this bill to borrow money, will have to pay. The bill provides that the rate of interest shall be fixed by the board. My amendment does not take from the board this authority, but provides that the board shall not charge a rate in excess of 4 per cent per annum.

For the purpose of this discussion and consideration of this amendment, it can be safely stated, I think, that the business interests of this country may be divided into two classes. One is the class that pays interest, and the other is the class that collects interest.

The first question which will be asked by persons interested, and particularly the farmers, when this bill is passed or becomes a law—and each one of us will be interrogated about it when we return home—is what rate of interest is going to be charged the farmers for this money. We will not be able to answer this question because, under the provisions of the bill, this is to be regulated by the farm board. No man, unless it is President Hoover, knows what persons will compose this board. After they are appointed by the President no one but him will know what rate the personnel of this board will decide to charge.

I have great confidence in the judgment of the Committee on Agriculture and those members of the committee on both sides of the House who have spoken in behalf of this bill, but I honestly think that they have made a mistake in leaving to the board the right to fix the rate of interest. The people interested in this bill, even while it is being considered, would prefer to know the rate of interest which farmers will be expected to pay.

In the first place, I wish to observe that no greater authority has ever been bestowed upon any Government board or any Government agency since the formation of the Government than the authority delegated to the Federal farm board and the President under the terms of this bill, except it be the Federal Reserve Board.

This rate of 4 per cent is not an unfair one to the Government. It is not a very liberal or reasonable one to the borrower.

In every instance, so far as I can recall, since I have been a Member of Congress, when bills of this character have been passed the rate of interest has been fixed by the Congress. Take the joint-stock land bank as an illustration. Congress fixed the rate of interest. The rate of interest was fixed by the Congress in the case of the intermediate credit banks. The rate of interest was fixed by Congress with respect to the Agricultural Credit Corporation. The rate of interest was fixed by Congress in the case of the Shipping Board on money loaned by the Government to the Shipping Board to construct ships and for other purposes incident to the Shipping Board business. In the case of the Federal Farm Loan Board, established many years ago, the rate was fixed by Congress.

In the different bills which have passed Congress from time to time to assist farmers of the West the rate of interest was fixed by Congress. The same is true in respect of the bill passed at the last session of Congress to loan money to farmers in the flood-stricken areas of South Carolina, Virginia, North Carolina, Georgia, Florida, and Alabama.

I do not recall in the 12 years since I have been a Member of Congress that Congress has ever delegated the power to any other person or corporation to fix the rate of interest upon loans made by the Government.

I do not think this ought to be done in any case, and I appeal to the Agricultural Committee, and particularly to the chairman of the Committee on Agriculture, all of whom I think are fair men, if it is not better for the Government and the people to let the Congress fix the rate of interest to be charged to the farmers now, or at least prescribe the maximum rate.

The rate of interest charged all the European countries who borrowed money during the war and since the war to aid in rehabilitating the peoples of those countries was fixed by Congress. Take Italy, for instance. No interest was charged for the first five years, and the rate after this time and for 10 years thereafter was fixed at one-eighth of 1 per cent. Thereafter it was fixed at the rate of one-fourth to one-half of 1 per cent for the successive 10-year periods, and at no time does this rate of interest ever go beyond 2 per cent. Besides this low rate of interest charged the Government of Italy in order to help their people, the loan runs for 62 years.

Congress fixed the rate of interest for France and did not require France to pay any interest for 10 years, and after that time the rate of interest was fixed at one-half of 1 per cent up until 60 years.

The interest charged Great Britain was fixed at the rate of 3 per cent; Finland and Hungary, from 3 to 3½ per cent; Poland was fixed at 3 per cent; Belgium, 3½ per cent; Latvia, 3 per cent; the Czechoslovakia Republic, 3½ per cent; Estonia, 3 per cent, and so forth.

Not only was the interest rate fixed at a certain amount to all these countries and other European countries who borrowed money from this Government but they were given 62 years within which to pay the same.

You will observe the rate of interest was not only fixed but fixed at a rate below 4 per cent.

If it is a wise policy to give money to the European countries who borrowed money during the war and since the war at an extremely low rate of interest, in order to help the people of those countries, why is it not fair dealing to loan money to our own people who need help upon the same liberal terms?

If it is lawful and expedient on the part of the Federal Government to loan money to Italy at one-eighth of 1 per cent interest per annum, in order to rehabilitate the Italian people, why is it not likewise lawful and expedient to loan our people money not in excess of 4 per cent per annum in order to rehabilitate them?

If it was wise to loan Italy money at one-eighth of 1 per cent and to France at one-tenth of 1 per cent and to England at 3 per cent, in order to rehabilitate the people of those European countries, how, in the name of common sense, can you refuse to lend it to our own people at a rate of interest not in excess of 4 per cent? [Applause.]

My time has about expired, and I ask you, as business men, and I appeal to your judgment and sense of fairness, not as Democrats or Republicans but as representatives of your people, is not this rate of 4 per cent a fair rate, and is it not a wise and reasonable policy to do with this bill as Congress has done time and again heretofore and fix the rate now and not leave it to this board? Congress should assume this responsibility and not shift it to the board. Certainly the 435 Members of this House are as well qualified to fix this rate of interest as any seven men are who may be appointed by the President to constitute the farm board. I hope all of you, Democrats as well as Republicans alike, will for one time during the consideration of this bill, and you have not done so up to date, consider the merits of this amendment and not steam roll it to death. [Applause.]

I do not hesitate to say that the committee made another mistake in rejecting my amendment providing that farmers who are not members of the cooperative associations should be eligible to make loans under the provisions of this bill. It developed in a colloquy between Judge KINCHELOE, of Kentucky, and me early in the debate on this bill that farmers who are not members of the cooperative marketing associations would get no benefit under this bill. I asked him this distinct question, "Suppose in my county that 10 per cent of the farmers are members of the cooperative marketing association and 90 per cent not members, would the 90 per cent be eligible to borrow money under the provisions of this bill?" His reply was that they would not unless they become members of the association. My amendment provided for this contingency. In other words, the amendment provided that farmers who are not members of any cooperative association would have the right to organize into a corporation or a corporate body under the laws of the State or Territory in which they reside and thus become eligible for help under this bill under rules adopted by the cooperative associations and the board.

The bill that passed the House will in all probability be the bill which is finally enacted into law. I do not believe that it will be of any substantial benefit to the cotton farmers of this country. It certainly will be of very little benefit to the cotton farmers who are not members of the cooperative associations. I am disappointed in the bill, because I have been looking forward to the enactment of Federal legislation which would be



substantially helpful and of real practical relief to the cotton farmer.

In the first place, no one knows who is the author of this bill. Its paternity is unknown. The President does not claim that it is his bill. Mr. HAUGEN does not claim that it is his bill. No member of the Agricultural Committee on either side of the House, while not disowning it, asserts any pride in its authorship.

However, it is a step in the right direction. The psychological effect of its enactment may be helpful. I do not see how it can become a curse, and yet I am not very optimistic that it will be a blessing. I shall give the President and his board, so far as I am concerned, my hearty cooperation and do everything within my power, in and out of Congress, to assist in its successful functioning with the hope that it contains germs of real assistance and relief to the cotton farmers, which for the present I can not discover.

I think the bill is defective, among other reasons, because—

(a) It does not fix the rate of interest to be charged to the farmers, but leaves the exercise of this responsible duty up to seven men who may constitute the board.

(b) That under the provisions of this bill 90 per cent of the cotton farmers, in my judgment, in the cotton-growing States are ineligible to participate in the benefits of this bill.

(c) It does not contain the debenture proposition, and this will not be included as one of its provisions when the same is presented to the President for his signature. It is estimated that under the operation of the debenture plan it would increase the price of cotton at least \$10 per bale. If the President of the United States had let it be known that he would not object to this debenture plan it would have been inserted in this bill. On the contrary, he let it be known that he was opposed to it.

(d) There is no single provision in this bill which has the effect to take care of the surplus crop. This is one of the chief and outstanding features of the various McNary-Haugen bills which the House has heretofore passed and is one of the essential evils confronting the cotton farmer which makes it necessary to have farm relief legislation. The price of cotton takes care of itself, as a rule, other things being equal, where there is no surplus crop. I have always contended that about all Congress could do for the cotton farmer was to enact legislation taking care of the surplus crop during surplus crop years. I think it was a monumental blunder to leave this provision out of the bill.

(e) There is no new idea or proposition contained in this bill which has not been thrashed out by Congress for eight years. Mr. Thomas M. Cahill, one of the chief writers upon this bill who has given great thought to it, recently stated: "The House bill has many features acceptable, yet, taken as a whole, gives little in the way of assistance to the farmer. It needs strengthening, because it gives the farm board much power, and unless, therefore, great care is used in selecting this board disaster is likely to follow; and it certainly is not conceived to be of any service to the raisers of cotton."

If President Hoover wants to do the farmers of this country, and particularly the cotton farmer, a substantial service and to render to him practical and substantial relief, which, in my judgment, is not afforded by this bill, he should direct this extra session of Congress to take up for consideration the Muscle Shoals bill and have it passed at this session of Congress. He promised during his campaign, and he is committed to the proposition that this Congress would be called for the purpose of passing farm relief legislation. There is no sort of farm relief legislation which has ever been proposed that is in the class of this Muscle Shoals bill, which the House of Representatives has voted for upon two different occasions. The object of this bill, as all know, is to aid the farmer by reducing the cost of his fertilizer. One of the Muscle Shoals bills passed by the House contained a provision that fertilizer should be manufactured for the purpose of selling the same to farmers at cost. Congress could pass this Muscle Shoals legislation by July 1, or sooner, if President Hoover would just say the word.

Mr. HAUGEN. Mr. Chairman, I rise to see if we can not reach an agreement about debate on this section and all amendments thereto.

Mr. DAVIS, Mr. LINTHICUM, Mr. WHITTINGTON, Mr. ALLGOOD, Mr. ROMJUE, Mr. HASTINGS, and Mr. PATTERSON rose.

Mr. HAUGEN. Mr. Chairman, seven gentlemen have risen, and I desire five minutes myself, so I shall ask unanimous consent that debate on this section and all amendments thereto close in 40 minutes.

The CHAIRMAN. The gentleman from Iowa, chairman of the committee, asks unanimous consent that all debate upon

this section and all amendments thereto close in 40 minutes. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. BRAND].

The question was taken; and on a division (demanded by Mr. BRAND of Georgia) there were—ayes 51, noes 78.

So the amendment was rejected.

Mr. DAVIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS: Page 7, line 4, after the word "board," insert a colon and the following: "Provided, That such rate shall not exceed the lowest rate of yield (to the nearest one-eighth of 1 per cent) of any Government obligation bearing a date of issue subsequent to April 6, 1917 (except postal savings bonds), and outstanding at the time the loan is made by the board, as certified by the Secretary of the Treasury to the board upon its request."

Mr. DAVIS. Mr. Chairman, ladies and gentlemen, for the information of the Members I inserted this amendment in the RECORD yesterday and it can be found on page 487. I am going to vote for this bill, and this proposed amendment is not intended to and will not impair in any respect the general plan or structure of the bill. It is simply intended as a scientific method of determining the rate of interest and is based on a precedent.

When the Congress enacted the merchant marine act of 1920 and created the construction loan fund for aiding the shipping industry, the act provided, as this bill does, for the interest rate to be fixed by the Shipping Board.

That proved unsatisfactory for reasons that I have not time to explain. Subsequently Congress amended the law so as to fix the interest rate at 4½ per cent, which was the prevailing Government rate at that time.

Subsequently the rate of interest of Government securities decreased. The shipping interests claimed that they were being required to pay a higher rate than the Government, and the Government was making a profit, and they besought the committee and Congress to give them the same rate at which the Government could borrow money at the time of the loan.

So when the Committee on the Merchant Marine and Fisheries considered the 1928 merchant marine bill, which became the law, we discussed that question at length. Different proposals were made, some of them such as was proposed by the gentleman from Georgia, not to exceed a fixed rate. There were objections to all proposals and we finally agreed to submit the matter to the Department of the Treasury, explaining that we wanted a flexible yardstick whereby loans could be made at the lowest prevailing Government rate at the time of any loan.

So the Treasury Department drafted the language which is embraced in my amendment and submitted it to our committee. It was unanimously adopted and embraced in the bill and passed both the House and the Senate almost unanimously and without objection on the part of anybody in either House as far as this provision is concerned, and it became a law.

The merchant marine act, 1928, established a revolving construction loan fund of \$250,000,000, to be loaned for the construction of ships to be built in American shipyards and to be operated under the American flag. It provides for making such loans for as long as 20 years, and as much as three-fourths of the cost of the vessel to be constructed. Twenty years is usually regarded as the useful life of a ship, and, of course, they constantly undergo the perils of the sea.

With respect to the rate of interest that shall be charged upon loans made for the construction of ships to be operated exclusively in the foreign trade, the said act provides as follows:

During any period in which the vessel is operated in foreign trade the rate shall be the lowest rate of yield—to the nearest one-eighth of 1 per cent—of any Government obligation bearing a date of issue subsequent to April 6, 1917—except postal-savings bonds—and outstanding at the time the loan is made by the board, as certified by the Secretary of the Treasury to the board upon its request.

This provision has worked admirably, without confusion or friction. It is fair and definite. The rate of interest to be charged upon a loan to be made to-day or upon any day at any time in the future can be easily and quickly ascertained with mathematical accuracy. It is fair alike to the Government and to the borrower. Under this provision loans have been made to shipping interests at rates of interest ranging from 3½ per cent to 3½ per cent.

This revolving-loan fund for the aid of shipping is exactly analogous to the revolving-loan fund provided in this bill for the aid of agriculture.

Aside from party and individual pledges, we should be willing to treat agriculture as fairly as we are treating the shipping industry. However, everybody has been saying that we should place agriculture on a basis of economic equality with other industries. That is one of the purposes specifically stated in the first paragraph of the bill under consideration to which I offer my amendment. That has been declared by nearly every Member who has spoken in favor of this bill. It is stressed in the committee report. Both of the national party platforms declared in favor of this principle.

The Republican platform adopted at Kansas City declares:

The Republican Party pledges itself to the development and enactment of measures which will place the agricultural interests of America on a basis of economic equality with other industries to insure its prosperity and success.

The Democratic national platform declares as follows:

Farm relief must rest on the basis of an economic equality of agriculture with other industries. To give this equality a remedy must be found which will include among other things:

"(a) Credit aid by loans to cooperatives on at least as favorable a basis as the Government aid to the merchant marine."

While the Republican platform does not specifically refer to the merchant marine act, 1928, in connection with agriculture, yet it does specifically approve and praise said act, and declares:

Under this measure substantial aid and encouragement are offered for the building in American yards of new and modern ships which will carry the American flag.

And, as before stated, it specifically "pledges itself to the development and enactment of measures which will place the agricultural interests of America on a basis of economic equality with other industries to insure its prosperity and success."

My amendment affords a definite, concrete method of redeeming these pledges, at least in part. It presents a test of our good faith.

Are you not willing to make loans to the depressed and prostrate agricultural industry on the same terms as you are making loans to the shipping industry? Are you not willing to place agriculture on a basis of economic equality with the shipping industry? Are you not willing to redeem your oft-repeated pledges?

The CHAIRMAN. The time of the gentleman from Tennessee has expired. The question is on the amendment offered by the gentleman from Tennessee.

The question was taken; and on a division (demanded by Mr. DAVIS) there were 33 ayes and 82 noes.

So the amendment was rejected.

Mr. ROMJUE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Page 8, lines 6 and 7, after the word "of," strike out "80 per cent of."

Mr. ROMJUE. Mr. Chairman and members of the committee, if this piece of legislation is to be effective, I think you will find that it is going to depend largely upon the thoroughness with which the cooperatives are organized and the interest which they have in trying to control with the board the surplus crops of this country.

There is a provision in this bill which provides an educational feature that is to be extended to cooperative organization membership. While that is true, no one can see at this time what the methods of education will be or whether it will be of any value, and at the same time your legislation in its present form raises a barrier against your cooperatives, so far as their financial obligations and liability are concerned. I want to make this point clear.

The bill in its present form provides for a loan of 80 per cent for the creation of or for the maintenance of facilities to handle the farmers' surplus crops. What does that mean? That means that if this legislation is enacted the farmer who does not belong to any cooperative association gets all of the benefits that the farmer gets who is a member of your cooperative association. The bill makes no distinction there, and perhaps it is intended to make no distinction there. Then what follows? Since you provide for a loan of 80 per cent on the facilities somebody must put up the remaining 20 per cent, and who is it? It must be put up by the members of your cooperative association, of course, under the bill in its present form, because they are the ones and the only ones with whom your board will deal. That means that a member of the cooperative association must jointly with other members of the cooperative association become liable for 20 per cent at least of any loss sustained in operation while the man who stays out of your cooperative association becomes liable for nothing, and yet shares in the benefits just the same as the member of the cooperative asso-

ciation. How can that injure the member of the cooperative? It will discourage him from coming in or joining a cooperative association, because, as the gentleman from Illinois [Mr. ARNOLD], well said a day or so ago, we can not legislate human nature out of a human being. The farmer will say, "I can get all of the benefits or profits, if any, by staying out of the cooperative association and assume no responsibilities and no financial liability, but if I come in and join I get nothing more but I do assume a liability to lose along with my fellow members of the cooperative association the 20 per cent." Of course, that will not affect him individually as to the 20 per cent until you come to a loss that exceeds 80 per cent, which is the limit of the Government loan. If this bill is to work, of course, no doubt, some cooperatives will make it a success; but, on the other hand, there will be some who will lose, and in some instances the entire investment will be wiped out. That will tend to discourage your cooperative members. By striking out this provision, which I propose to do, you merely extend the loan so as not to go beyond the actual value of the property upon which the loan is made.

Mr. ADKINS. Mr. Chairman, will the gentleman yield?

Mr. ROMJUE. Yes.

Mr. ADKINS. So far as grain is concerned there is something over a billion bushels capacity for storage throughout the country. Does the gentleman not think that if the cooperative wants to go out and buy additional storage it ought to have some equity to put into the purchasing of it? You can lease all of the storage you want at a moderate price, but if they decide to buy, should they not have some equity in the investment?

Mr. ROMJUE. That same question would be applicable in case the Government made no loan at all. The members of the cooperative associations could advance all the money they desire to and I have no objection to their doing it if they desire to do so. But knowing the farmer and knowing human nature as I do, I know that no reasonable man will take any financial responsibilities and liabilities along with others when they share equally in the benefits without assuming any responsibilities. If the legislation works properly, I think many farmers will feel that if members and nonmembers of the cooperatives share equally in the benefits they alone should not bear all the loss in case of loss.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

The question is on the amendment offered by the gentleman from Missouri.

The amendment was rejected.

Mr. LINTHICUM. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LINTHICUM: Page 7, line 9, after the word "association," insert "or by any individual, firm, or corporation."

Mr. LINTHICUM. Mr. Chairman and gentlemen of the committee, I think the amendment speaks for itself. I want to bring to your attention at this time the fact that for more than 100 years there have been certain individuals, firms, and corporations engaged in the very thing for which this bill is intended. They have built warehouses, advanced money to farmers, and have helped to distribute farm products, and market farm products. These elevators and warehouses have cost them a great deal of money. If you are to lend only to these cooperative associations, and I presume you will lend money to them at a small rate of interest—4 per cent has been suggested, perhaps less—then these individuals, firms, and corporations engaged in this same enterprise performing the same duties as the cooperative association will have to perform, who pay not only 6 per cent for their money, but business men here know that if they borrow it from the banks, there must be some 20 per cent left on deposit, so that by the time they borrow the money to carry on that line of business it costs them between 7 and 8 per cent. Therefore they can not compete with the cooperative associations under this bill, which are allowed to get money at perhaps 4 per cent or less. I am only asking for fair play on this proposition.

In the shipping bill you agreed to advance to certain individuals money to build ships. In various other cases we have agreed to advance certain moneys to perform certain acts. We only ask that these individuals, firms, and corporations performing the same duty, doing the same work, and who comply with this act in every particular, be allowed to borrow money from this fund of \$500,000,000. If you do not allow them, I think it will put these people out of business, because I do not think they can compete, and every farmer in this country knows that he has his individual, firm, or corporation who has carried on this work for him for years. He has stored his grain,



and he has found a market for it and done all of the things which it is intended this bill should do. If they comply with this bill, I ask that you grant them the same privilege you do to cooperative associations for borrowing money.

The CHAIRMAN. The time of the gentleman from Maryland has expired. The question is on the amendment offered by the gentleman from Maryland.

The question was taken, and the amendment was rejected.

Mr. HASTINGS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HASTINGS: On page 7, line 12, after the word "thereof," insert "which shall include advances to persons of such associations during the period of time such commodities and food products are held by the association for merchandising."

Mr. HASTINGS. Mr. Chairman, I ask the serious attention of the House to this amendment. This amendment would come in after the word "thereof," in line 12, page 7. That is in subdivision (b), and it provides the effective merchandising of agricultural commodities and food products. This amendment would permit loans to be made from the revolving fund to cooperative associations so that advances may be made to members of the cooperative associations during the time that the cooperatives are merchandising the commodities and food products as provided in the paragraph.

Mr. BURTNESSE. Mr. Chairman, will the gentleman yield there?

Mr. HASTINGS. Yes.

Mr. BURTNESSE. Does the bill provide for that? Is that permitted?

Mr. HASTINGS. I think the language is not clear. I am afraid if you do not include the words in the amendment it will not be. It is nowhere else in section 5.

Mr. BURTNESSE. But what in the world does that language mean at all if it does not mean that?

Mr. HASTINGS. I say, let us clarify it, as the gentleman from Indiana [Mr. PURNELL] did in paragraph (3) of section 5 this morning. I am not certain that the authority is given. I mean I am not certain as to its interpretation.

Unless this is done you can not get members to join cooperative associations and pool their commodities and products, because they must have financial assistance during the crop season either from banks or from credit merchants. If the cooperative associations are going to merchandise their products they must have money to make advances to their members during the period of merchandising the commodities or food products.

I want to inquire of the members of the committee whether or not the provision in question will authorize advances from the revolving fund to the cooperative associations, to be advanced to its members during the period of merchandising their crops? Will some member of the committee answer the question? I ask the gentleman from Indiana [Mr. PURNELL] his opinion or interpretation.

Mr. PURNELL. I am of the opinion that it covers every point the gentleman has made.

Mr. HASTINGS. Do you think it is clear that the advances may be made to cooperative associations to make advances during the period of merchandising their agricultural commodities or food products? What is your interpretation?

Mr. PURNELL. Frankly, I do not think it would make it clearer.

Mr. HASTINGS. Do you believe it is already clear?

Mr. PURNELL. I do.

Mr. HASTINGS. Even so, what harm could be done if this language is added? It would only make it certain and definite. What objection could be made by the committee?

Mr. ADKINS. That is the purpose for which the board makes the loan to the stabilization corporation, to market their product.

Mr. HASTINGS. You are specifically providing in this paragraph in section 5 for the cooperatives. Refer to line 11, on page 7, in paragraph (1) of subdivision (b). It provides loans may be made to cooperatives to assist in (1) the effective merchandising of agricultural commodities and food products. My amendment makes it certain that advances may be made to members of a cooperative association by the association out of the revolving fund pending the period of merchandising their products.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired. The question is on agreeing to the amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

Mr. ALLGOOD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Alabama.

The Clerk read as follows:

Amendment offered by Mr. ALLGOOD: Page 7, line 4, after the word "board," strike out period and insert the following words: "at not greater rate than the then existing rediscount rate of the Federal reserve bank in the district where the cooperative is located."

Mr. ALLGOOD. Mr. Chairman and gentlemen of the committee, this is the first time in the history of our Nation that Congress has been called into extraordinary session to legislate in behalf of the farmer. Agriculture has been in distress ever since 1920. From 1918 to 1922 I served as commissioner of agriculture and industries of Alabama, through a period which marked the reconstruction era following the World War. During this period the entire man power of the Nation was called into service, either in defense of the flag or in production in all fields of activity. As a result of the war prices of lands, of homes, and of all commodities soared to unheard-of and unreasonable prices. The patriotic desire of the farmers everywhere to produce in order to feed and clothe our soldiers resulted in many additional millions of acres of land being brought into cultivation. The war was terminated at a much earlier date than the most optimistic of our leaders had thought, and as a result of the quick ending of the war there was an enormous overproduction of farm products throughout the Nation.

In 1920, two years after the close of the war, the press of the country, the writers, the leaders, all thought that the Old World was unable to feed and clothe its people and a call went abroad over this land for our farmers to produce, produce, produce. The farmers did produce and, while the peoples of the Old World were hungry and half clothed, yet they were also impoverished and had not the means with which to buy from us. This resulted in an overproduction and a subsequent deflation of prices of farm products, because our farmers were not able to finance the sale of their products in foreign countries. On the other hand, many manufacturers by profiteering had grown rich during the war; and, after the war, by being well organized and by having banking connections, they were able in most instances to maintain high prices for their manufactured products. As a result, our farmers are having to pay, in many instances, excessive prices for the manufactured products which they buy, while they are forced to produce and sell under depressed marketing conditions. A recent survey shows that the selling price of the farmers' products as compared to pre-war prices is only 33 per cent greater, while he pays 71 per cent more for the manufactured goods he buys. This shows that to-day the farmers' dollar in buying manufactured goods is worth only 77 cents. Some one in speaking to-day said that the farmer is largely to blame for his condition. I emphatically deny this statement, and I wish to show that conditions have arisen in this country over which the farmer had no control, but which have added increased burdens upon him.

From 1861 to 1865 this country was engaged in civil warfare. The South was the battle ground of the war. Conditions resulted which required 50 years of hard work to overcome. Of course, the other sections of the country were not in such a disastrous condition and recovered more rapidly than we of the South did. We were just recovering financially from the effects of the Civil War when the World War broke in all its fury and piled up a debt of \$25,000,000,000 upon the people of this Nation. We are paying this debt through laws enacted by Congress at the rate of a billion dollars a year, but this works a hardship upon the producers throughout the Nation because they are having to help pay this debt every time they purchase an article they need; and, although most farmers are too poor to pay income taxes, yet in many instances their local State and county taxes have been increased 100 per cent within the last few years. I have mentioned the causes that have brought the high cost of living to our people—that have brought debt—to show you that the farmer is not the one who is responsible for his condition. I am deeply interested in the farmer's welfare, and I am working and voting for measures I think will promote his prosperity. Statistics show that when the farmer prospers his prosperity is reflected and shared by merchants, automobile dealers, manufacturers, and business interests generally. I have for years made an intensive study of economic conditions as pertain to agriculture, and I fully realize that for the farmer to get justice he must have national legislation.

All legislation is procured by compromise, and I consider the pending bill a compromise bill, and it should certainly be materially amended.

I am supporting the measure because it holds out a ray of hope to the farmer, and I feel that it is a start in the right direction, though I think the Members of this Congress will see that if this measure becomes a law it will not bring the relief that farmers should have who are paying high interest rates

and excessive prices for manufactured articles, who have to pay excessive fertilizer prices and exorbitant freight rates, who are burdened with debts and mortgages, who are forced to buy at the other man's prices and at the same time sell in a market where the other man fixes the prices. This is more or less of an experimental bill and the farmers of the country should so understand it to be, and not expect too much from it. I certainly would regret to see the farmers of the South produce 18,000,000 bales of cotton this year and expect to be guaranteed \$100 a bale for it under this law. In fact it will require two or three years to get the machinery of this bill into full operation, and it would be almost suicidal for us to start producing excessive surpluses of wheat, cotton, corn, and of other products at this time. The moral effect of this bill will be good. The placing of \$500,000,000 in the hands of a Federal farm board for the stabilization of farm products will speak in thunder tones to the speculators, manipulators, and bear gamblers of farmers' products, and tell them in no uncertain terms that the farmers of the United States have the Government as an ally and friend, and that it will not be safe for them to continue to try to raid the farmer's market as they have heretofore done. My pending amendment limits the interest rate to be charged. If the entire \$500,000,000 is borrowed and the interest is only 4 per cent the cooperatives then will have to clear \$20,000,000 each year before the farmer will receive 1 cent profit under this bill.

Mr. BURTNESS. What is the rate set up in the gentleman's amendment?

Mr. ALLGOOD. The rate is not to exceed that of the Federal reserve bank in the district where the loan is made.

Mr. BURTNESS. Does not the gentleman realize that the rate ordinarily taken should be fixed?

Mr. ALLGOOD. This farm board is given almost every discretion in the world, and there certainly should be some maximum rate of interest prescribed.

But the Government alone can not win the farmers' battle. The individual farmer will have to study his own conditions, help work out his problems, and cooperate with the Federal agencies in order to be benefited. I have seen too many people disappointed by depending upon the Government for aid. I refer to the aid extended by Congress and administered by the Veterans' Bureau. The records show that 898,477 ex-service men have felt that they had service-connected disabilities for which they were due compensation. Two hundred and eighteen thousand death claims have been filed for which compensation has been asked, and only 79,000 death claims have been allowed. Here we have 634,477 men who went into the service of the country, many of whom went overseas and were shot, wounded, and gassed, and many others who were subjected to heat, rain, and cold, and as a result are suffering from broken health. These brave patriotic men of our country who risked their all, many of whom are unable to work now, have failed to secure relief from our Government. I am mentioning them and giving our farmers an example so that they may not expect too much from farm relief legislation.

I have already offered one amendment to this bill which should have been adopted, but was not. It was to the effect that farmers acting through their cooperatives should be permitted to use some of this \$500,000,000 with which to buy seed, fertilizer, farm implements, and machinery for their farms. I know that this amendment, if enacted, would be of real value to the farmer. The farm debt of the Nation now approximates more than \$12,000,000,000, which means that the farmers are paying in the neighborhood of \$1,000,000,000 interest each year, so you can see that the interest rate is a vital part of this bill, and the maximum rates certainly should be fixed by Congress.

More than 6,000,000 farmers are to-day looking to the American Congress for relief. They have hopes that a farm relief bill will be passed by this Congress which will relieve the gross inequality that exists against them and which will enable them to enjoy to a degree the same prosperity that is coming to the corporations throughout this country. I call to your attention the fact that the class 1 railroads in the United States made \$42,000,000 more net earnings in the first quarter of 1929 than in the first quarter of 1928, which is 19 per cent increase, and their total net profits for this first quarter amounts to \$259,000,000. Statistics show that the railroads collect approximately \$7,000,000,000 a year freight on farm products. This shows how tremendously the farmers of our country are contributing to the dividends and to the prosperity of the railroads, and if this Congress really wants to help the farmer they can do so by equalizing freight rates.

I assert to you again that the farmer can never prosper as long as he is forced to buy in a highly protected market and is compelled to sell his surplus in the open or unprotected

markets of the world. I know the condition of the farmers, especially the southern farmer. I can see them now preparing and planting another crop. They have taken some of their children out of school to work, and their wives and daughters in many instances go to the fields. They are striving to pay for a small home or to lift a mortgage or to accumulate enough to make a first payment on a home. They are endeavoring to educate their sons and daughters, and, sad to say, many a bright boy or girl in the South has been forced to leave school to go to work on account of economic conditions that prevail in the home. These people brought face to face with adversity and hardships are as independent, as brave, as loyal, and as God-fearing as any the sun ever shone upon. It is this character of people for whom I wish to see this bill passed. They should have equal opportunity with the people of all sections of the Nation, whether they live in city, town, or country.

I am offering amendments to this bill that will make it really effective for those who need it. There is not a farmer in the South who buys fertilizer—and practically all buy it—who will not be disappointed that this measure does not also provide for the operation of Muscle Shoals. The fertilizer bill comes to the farmer as regular as taxes, and is steadily increasing. It amounts to the enormous sum of \$250,000,000 a year in the United States. Alabama farmers alone paid around \$25,000,000 for fertilizer last year, which is \$1 out of every \$4 that they received from their cotton crop. I am disappointed that President Hoover did not place Muscle Shoals in his farm program. It is the one thing that would give our farmers greater relief than all other farm legislation combined. Last June I went to Canada to study their nitrate plants, which are producing more than 100,000 tons of nitrates annually. These nitrates are being shipped to the United States and sold to our farmers. I found the Niagara Falls plants running full time, and identical to the nitrate plants at Muscle Shoals, Ala., which are idle and rusting down and becoming obsolete and which have never produced one pound of fertilizer, while during all these years our farmers have been forced to pay tribute to Fertilizer Trusts and foreign monopolies.

I sincerely hope this Congress does not repeat the actions of former Congresses in regard to farm relief measures, for during the past several sessions of Congress, we have been attempting to secure action on Muscle Shoals and to pass the McNary-Haugen farm relief bill, but with no favorable results. I see forces at work here to-day to prevent this farm relief measure from becoming a law. Disagreements have arisen over what is known as the debenture plan and instead of the farmer getting relief I fear that the greedy protectionists of this body who are working on a tariff measure will so write the measure that the farmer will be lost in the shuffle, and as usual will come out at the little end of the horn. I do not say that I have lost faith in Congress to carry out the President's policy of placing agriculture on an equal basis with industry; but I do say that if President Hoover's policy is carried out he is going to have to bring pressure to bear upon the Republican Members of this House, and there will have to be in the Senate more friends of the farmer than he has in this House for an honest to goodness farm measure to ever become a law of the land.

My colleagues, in closing, I call your special attention to the fact that the farming masses of this country are aroused as they have never been before. They are demanding favorable action at the hands of this Congress, and they will not hold guiltless those of us who fail them at this special session of Congress, which has been called specifically for the purpose of enacting farm relief legislation. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The question was taken; and on a division (demanded by Mr. ALLGOOD) there were—ayes 15, noes 51.

So the amendment was rejected.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Mississippi offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. WHITTINGTON: On page 10, in line 26, strike out the period after the word "requirements" and insert the following: "or in excess of the annual world requirements of any agricultural commodity of which there is commonly produced an exportable surplus."

Mr. WHITTINGTON. Mr. Chairman and members of the committee, just a word in explanation of the amendment which, I respectfully submit, is in reality a perfecting amendment.

In the general debate I called attention to the uncertainty as to the meaning of paragraph (e) of section 5. I am frank to say that, in my judgment, it is the intent of the bill, and certainly the purpose of the committee, to promote all American



agriculture, whether it be of the crops we produce for domestic requirements or for foreign requirements, but there has arisen uncertainty as to the meaning of this paragraph of section 5.

There are those who believe—and mark my language and I address it particularly to the members of the committee—that in attempting to prevent the surplus where there is a surplus produced in excess of domestic requirements, restrictions are placed against any loans or advances to world crops, or crops of which there is commonly produced an exportable surplus.

I do not think such was the intention of the committee, and I respectfully submit that the amendment which I propose would merely add at the conclusion of page 10 and at the end of the section, certain words so that the section as amended would read:

No loan or advance or insurance agreement under this act shall be made by the board if, in its opinion, such loan or advance or agreement is likely to increase unduly the production of any agricultural commodity of which there is commonly produced a surplus—

If the language stopped there, if the paragraph stopped there there would be no difficulty. I am in sympathy with the policy to prevent any sort of surplus, whether it is a domestic surplus or a world surplus, but the language of the bill continues—in excess of the annual domestic requirements.

Now, my amendment to cover the case of those crops where we produce an exportable surplus, so there shall be neither in the intent nor in the language of the bill any discrimination, is—

or in excess of the annual world requirements of any agricultural commodity of which there is commonly produced an exportable surplus.

I submit that in the previous farm bills in 1927 and 1928 language has been used to define the domestic crop and the world crop. As pointed out on Monday, April 22, of this week, and as shown by my remarks on page 282 of the Record, the language heretofore used in undertaking to define a world crop—and you will find that language in the present Senate bill, is “in excess of the requirements for orderly marketing.” I submit the language I propose is substantially the same thing.

Mr. Chairman, as I have said, I maintain that the language I suggest will really effectuate the intention of the committee. I repeat that in the effort to decrease the surplus product where there is a domestic surplus, inadvertently and unintentionally, language has been used which has been construed as preventing loans and advances to crops that are produced and marketed in the world markets as well as in the domestic markets. It was the intention of the committee not to make this discrimination. I read from page 11 of the report of the committee:

It would be of no service to agriculture, where the total world production in many crops affects the price to further increase our production and thereby further decrease the world price.

I am in sympathy with that. I think it is an essential part of any agricultural legislation that it shall not cause overproduction or create a further surplus.

I read again from page 11 of the report of the committee:

This does not limit the board's power to assist surplus crops where such assistance can be given without further substantially increasing production.

I am in sympathy with that expression of the committee. I maintain that my amendment perfects the language of the paragraph and removes any uncertainty. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was rejected.

Mr. PATTERSON. Mr. Chairman, I offer an amendment, which I send to the desk.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. PATTERSON: Page 10, line 25, after the word “of,” strike out the words “the annual domestic requirements” and insert in lieu thereof the words “world market requirements.”

Mr. PATTERSON. Mr. Chairman, ladies and gentlemen of the committee, as I stated yesterday, I am as far as anyone from wanting to interpose any delay, and I therefore offer this amendment in all sincerity.

There are just two things that occur to me that I want to touch upon at this time, and I hope I do not even take the entire five minutes allotted to me.

I personally should be glad that the board did not have the power herein contained that it does. And yet since it has been conceded by those who have discussed the powers of this board that with the broad powers of the board they have the right to do what this subsection (e) of section 5 says, and now the

question that arises with me and with other gentlemen of the House is, Why go out into this field and direct them to do this which, if carried out, in some instances might do a great deal of harm to some of our world crops, crops like wheat, cotton, and corn, of which we produce a world supply or a world surplus?

There has been a great deal said here about the surplus. I must admit, gentlemen, and I do this in all honesty and sincerity, that I am not so much disturbed about a surplus crop when the people of our country are not properly fed and clothed, and I am not very much disturbed about there being a surplus when so many of our people can not, under present conditions, reach the point where they shall have a proper return on the products of their labors and are not properly clothed and fed, as conditions now are. I wish I might have the time here to go into the importance of going all the way and relieving the small producers who need help so badly, and describe how little those who toil both in agriculture and in other industries get for that labor and why we have so much surplus in some products, when if the producers had the income to purchase a great deal of this surplus would be immediately wiped out.

Now I want to call the attention of the chairman to this point—what this legislation means. I do not want to criticize the attitude of anybody, but I wonder if it is always wise for gentlemen to vote down every amendment regardless of what it may contain.

Mr. WILLIAMS of Illinois. If the gentleman will yield I do not think there has been any disposition to vote down every amendment regardless of what it means. I think the vote has been on the merits of each amendment.

Mr. PATTERSON. I beg the gentleman's pardon, I did not mean any criticism. I do not believe a cooperative marketing bill will solve all of the farmers' problems. But yet if we are to pass a cooperative marketing bill, I should like to see it do the farmer as great good as possible. So I should like to see some of these points clarified. This provision might allow them to discriminate against some crop like wheat or cotton which produces a world surplus and favor some crop which does not produce such surplus. Under this provision it is entirely possible to do it. I do not say that the board will do it, but it is possible that they might, and by reason of this power they might foster some industry which does not now produce this export surplus and double or even treble its production by reason of this favor. As I stated, I do not believe they will but since this is a question let us clarify this by adopting the amendment I offer.

I appeal to you for a fair consideration of this question. Let us direct the board to consider this question on the basis of the world's market. Why should we have the board directed to discriminate against a crop that now produces a home surplus and favor some crop that does not produce a surplus and encourage it to do so? Of course, as I said before, I do not say the board will do this, but why direct them to where they can do it? None will deny that they might have this power under this bill. I should like for this clarifying amendment to be written into this section and appeal to the Members of this House to clarify this section. This is an extremely important piece of legislation and I am tremendously concerned that it reach all of our farmers who need help.

The CHAIRMAN. The time of the gentleman from Alabama has expired. The question is on the amendment offered by the gentleman from Alabama.

The question was taken, and the amendment was rejected.

Mr. WHITTINGTON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 10, line 26, strike out the period after the word “requirements” and insert the following: “or in excess of the requirements for orderly marketing.”

Mr. WHITTINGTON. Mr. Chairman, I do not care to say anything on this amendment; it is in line with the other amendment that I offered.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The question was taken, and the amendment was rejected.

The CHAIRMAN. Does the gentleman from Iowa wish to use the remaining five minutes?

Mr. HAUGEN. No. Mr. Chairman, I yield my five minutes to the gentleman from Michigan [Mr. KETCHAM].

Mr. LAGUARDIA. Mr. Chairman, I make the point of order that the time is not yieldable.

The CHAIRMAN. The time is in control of the Chair, and the Chair will recognize the gentleman from Michigan [Mr. KETCHAM] for the remaining five minutes.

Mr. KETCHAM. Mr. Chairman, I have listened with great interest, as I always do, to the suggestions in the form of

amendments offered by the gentleman from Mississippi [Mr. WHITTINGTON] and several others that have had a similar thought in their minds. It seems to me that a few minutes ought to be taken in closing debate on this section to set out if we can the last word to be said for the committee on this section. Not that what I state can not be better said, but to state the thought that was impressed on the minds of the committee and exactly what the committee intended. If I may refer again to the illustration that has been used in connection with our long discussions upon farm relief legislation—I refer to wheat. I am more familiar with that than I am with cotton.

Here is the idea that the committee had in mind as they wrote this provision in the bill—not that the board should be prevented from giving consideration to whether or not loans should be made to cooperatives dealing in wheat where there was produced a surplus of 200,000,000 bushels, because it is conceded that that is ordinarily and commonly produced, and I am sure we have no disposition, and there is no intention on the part of the committee to do any such thing, and we do not believe the language is susceptible of that interpretation. We believe it means exactly what it says, and that it says exactly what it means, namely, that if the farmers of the United States produce 200,000,000 bushels surplus of wheat that shall be no bar to loans being made, but if there is shown to be a disposition upon the part of the farmers growing wheat to unduly enhance the surplus which is commonly produced, then the board has power to step in and use its power in an effort to restrain these farmers from continuing overproduction.

Our friends on the other side of the aisle seem to have been very much concerned over what is to happen to cotton because of this subsection. I want you to know that the committee in drafting this bill believed that the board that would be set up would be entirely friendly to agriculture, and we have been facing here for eight years the difficulty of a surplus in cotton. We have had in mind always the accomplishment of everything that we could do for the encouragement and assistance of the men who are facing difficulty with these particular crops. If this board is set up and proceeds to function, do you have any notion at all that they would conceive for a moment the idea of limiting the production of cotton where that cotton goes into the foreign trade, if that did not act as an undue depressant on the cotton industry itself? Not for the world. I thought it would be some comfort to some of you if I tried to present the viewpoint of the committee, which is entirely in sympathy with what you have undertaken to do. We believe that the language as drafted in the bill does exactly what you desire to have done. This word of explanation has also been offered lest a casual reader of the Record might interpret the adverse votes cast against the clarifying amendments offered to this section as an evidence that the Committee of the Whole opposed the ideas presented in the amendments of the gentleman from Mississippi [Mr. WHITTINGTON] and others. These votes do not indicate opposition to these ideas. They simply mean that the Committee of the Whole approves these ideas but believes that the bill as written does exactly what the gentleman desires.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. KINCHELOE. And as another evidence that they ought not to become unduly alarmed about subsection (e) is not one of the major purposes of any cooperative to keep down overproduction?

Mr. KETCHAM. Certainly. It is for the benefit of the men who produce. This legislation is designed to enable the farmers to overcome just such great outstanding difficulty as that of surplus production. Do not be alarmed about the operations of any board limiting the production where that production is to go into foreign trade. Everything will be done under this bill that will bring more dollars down into the pockets of the men growing wheat and cotton. [Applause.]

Mr. BRAND of Georgia. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BRAND of Georgia: Page 7, line 16, strike out the word "and"; and page 7, line 20, after the word "commodity," strike out the period, insert a semicolon and "and (5) or/and to associations of farmers who are not members of any cooperative association which may be organized into a corporation under the laws of the State or Territory in which they may reside. Such corporate associations are authorized to operate only under rules adopted by the member cooperative associations and approved by the board."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Georgia.

The amendment was rejected.

Mr. HILL of Alabama. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. HILL of Alabama: Page 7, line 13, after the word "of," insert "assembling places."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Alabama.

The amendment was rejected.

Mr. HILL of Alabama. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. HILL of Alabama: Page 8, line 8, after the word "purchased" strike out period and insert comma and the following language: "except when producer-marketing contracts containing an authorization for making a sufficient charge against each unit of the commodity passing through the facility, to amortize the obligation within the contract period is given in lieu of other security in which event the full cost price may be loaned."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The amendment was rejected.

Mr. GLOVER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. GLOVER: Page 10, line 26, after the word "requirements," insert the following, which shall be subdivision "F":

"The board is hereby authorized to loan to any person, persons, associations, or corporations engaged in producing agricultural products, whether in or out of any association provided for by this act, and out of the revolving fund, at a rate of interest not exceeding 4 per cent per annum on commodities not of a perishable nature an amount equal to the value of the commodity on the open market at the time of making the loan and retaining a lien on said commodity to secure the payment of said loan, and said loan or loans shall not be made until said commodity or commodities on which a loan is to be made is placed within the storage or storages designated by the board; and when a commodity is so stored and a loan is made on it, it shall be sold by said board on demand in writing by the owner if said commodity will bring on the market an amount in excess of the loan and interest, and the difference in the amount due said board and the selling price shall be immediately turned over after said sale to said owner."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Arkansas.

The amendment was rejected.

Mr. ALLGOOD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ALLGOOD: Page 7, line 16, after the semicolon, add a new section, as follows:

"(3½) The collective purchasing of livestock, fertilizers, seed, farm machinery and equipment."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Alabama.

The amendment was rejected.

Mr. ALLGOOD. Mr. Chairman, also the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ALLGOOD: Page 9, line 4, after the word associations, insert "preferably coextensive commodity to be handled."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

The Clerk read as follows:

SEC. 6. (a) The board may, upon application of the advisory commodity committee for any commodity, recognize as a stabilization corporation for the commodity any corporation if—

(1) The board finds that the marketing situation with respect to the agricultural commodity requires or may require the establishment of a stabilization corporation in order effectively to carry out the policy declared in section 1; and

(2) The board finds that the corporation is duly organized under the laws of a State or Territory; and

(3) The board finds that all the outstanding voting stock or membership interests in the corporation are and may be owned only by cooperative associations handling the commodity; and

(4) The corporation agrees with the board to adopt such by-laws as the board may from time to time require, which by-laws, among other matters, shall permit cooperative associations not stockholders or members of the corporation to become stockholders or members therein upon equitable terms.



(b) The stabilization corporation for any agricultural commodity may act as a marketing agency for its stockholders or members, and upon request of the advisory commodity committee for the commodity the board is authorized to make advances to the stabilization corporation for working capital to enable it to purchase, store merchandise, or otherwise dispose of the commodity. Such advances may be for such period or periods and upon such terms and conditions and at such rates of interest as the board may prescribe.

(c) Any stabilization corporation receiving such advances shall exert every reasonable effort to avoid losses and to secure profits, but it shall not withhold any commodity from the domestic market if the prices thereof have become unduly enhanced, resulting in distress to domestic consumers.

(d) The board shall require any stabilization corporation to establish and maintain adequate reserves before it shall pay dividends out of its profits. If by reason of unforeseen conditions a loss is sustained by any such corporation which exceeds its capital and reserves previously accumulated, such loss shall be repaid out of the profits subsequently earned but shall not be assessed against the stockholders of the corporation.

Mr. LARSEN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LARSEN: Page 12, line 6, strike out subsection c, beginning with line 6 and extending through line 11.

Mr. LARSEN. Mr. Chairman and members of the committee, the previous paragraph, subsection (b), provides that advances may be made to stabilization corporations, and so forth. Subsection (c), which I move to strike out provides that "any stabilization corporation receiving such advances shall exert every reasonable effort to avoid losses and to secure profits, but it shall not withhold any commodity from the domestic market if the prices thereof have become unduly enhanced, resulting in distress to domestic consumers." Of course, you know that any corporation is going to do all in its power that is deemed reasonable or expedient to make profits on its investment, so that that language is, as a matter of fact, surplus. The portion of the subsection which I object to is contained in the last three lines:

but it shall not withhold any commodity from the domestic market if the prices thereof have become unduly enhanced, resulting in distress to domestic consumers.

If you look at the last two lines in subsection (b) you will see that the board has ample authority of control. It says in line 2 of page 12:

Such advances may be made for such period or periods and upon such terms and conditions and at such rates of interest as the board may prescribe.

These words vest in the board sufficient authority.

When the board makes the advancement to the cooperative association, it can then safeguard every condition in making the contract. Would not the board better safeguard the contract at the time the loan is made? When the cooperative is borrowing the money, rather than at a time when it might upset every plan contemplated by the cooperative association and the legislation?

In my judgment this is the joker in the bill to avoid aiding the farmer or something thrown out as a kind of smoke-screen to shield weak-kneed Congressmen. In effect it says, when the price has been unduly advanced and affects the consumers cooperatives will not be permitted to hold products. Nobody believes that. The consumer will not be affected. It makes no difference to the consumer so far as regards price, whether wheat is worth \$1.50 or \$3 per bushel. He pays the same for bread. The coat on the man's back sells at about the same price whether cotton sells for 15 cents or 20 cents per pound, or whether wool sells at 25 cents, or double that amount. It is the manufacturing of it and the handling of it that costs the consumer.

Here is the trouble: Some of these gentlemen want to legislate and then go back home and say to the gamblers and the speculators, "We have put something in there that will protect you, and we will not permit these producers to enhance the price if it should pinch you, because when it comes to pinch you, the board will take it off." In other words, you want to do something and then want to apologize for it. Gentlemen, I do not believe in such business as that. I think when a man does something as an official he ought to be willing to stand up and face the music like a man and have no apologies to offer. I am opposed to making that kind of a smoke screen. I do not want these speculators and gamblers to come down to the board in Washington and say to the board that it is en-

hancing unduly the price of commodities to the consumer. [Applause.]

Whatever conditions or control are to be imposed upon the cooperatives should be so imposed by the loan contract when made, and not when the cooperative association and the farmer may be ruined by some gambler or speculative organization calling itself a consumers' league.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Georgia.

The amendment was rejected.

The CHAIRMAN. The Chair will now recognize the gentleman from Oklahoma [Mr. GARBER] to strike out the last word.

Mr. GARBER of Oklahoma. Mr. Chairman, members of the committee, this is an historic day in the House. For the first time in the history of our country, Congress has been convened in special session with directions to proceed at once to the immediate enactment of remedial farm legislation. In convening Congress for such purpose, President Hoover has rendered a signal service to the country. His prompt fulfillment of pre-election pledges, his courageous stand for the depressed industry, his clear-cut, clearly stated program and insistent demand for immediate legislation evidence qualities of courageous leadership fully commensurate with the responsibilities of the high office of Chief Executive of the Nation. His direct course has removed "tweedle-dee" and "tweedle-dum" from the controversies; excuse, delay, and filibuster from legislative proceedings; and placed the responsibility squarely upon the Congress, where it rightfully belongs. In the consideration and passage of the pending bill the Members of this House will this day discharge their responsibility. [Applause.]

PENDING BILL A GOOD BEGINNING; NOT A "CURE-ALL"

We have been considering farm relief for a period of over six years. We have been divided, distracted, and defeated, but now we are united and will pass this bill. It will not be a "cure-all" for all the chronic ills of agriculture. Neither will it be a panacea for low prices. The marketing machinery created will not be perfect. These are defects which alone can be cured by time and experience. I do not want the farmers I represent to expect too much from the immediate results of the enactment of this bill. It will not immediately restore the purchasing power of their products to an equality with other industries; it will not make the tariff effective on all crops of which we have an exportable surplus—but it will be a start. It will afford a beginning and authority to proceed in the education and work of effecting the essential organizations for which it provides. While this bill is not complete nor perfect, yet its enactment will appreciably stimulate conditions more favorable to agriculture. It will restore the faith and confidence that the farmers have in their Government. It will be dependable assurance to them that the Government with all the power at its disposal has at last taken a determined stand to champion and protect their interests, that it will no longer remain an idle spectator and look with indifference upon the grinding economic forces that are driving the farmers from the land.

This bill pledges the Government itself to rehabilitate and restore the industry "upon a basis of economic equality with other industries." Such pledge is a just recognition of the sacrifices made by the farmer and his family on the farm. It is a recognition that the farmers' products, of all production, are the most essential, that their contribution of young men and women of industry, character, stability, and loyalty affords the life stream of new blood essential to the preservation of society and self-government. And while this bill is not a perfect bill, it will usher in a new day for the industry, a new assurance of protection to the family on the farm. With its incompleteness and imperfections this is the best farm bill ever presented to any Congress in the history of the country. For the first time in its history it gives to agriculture a definite, constructive policy which is equivalent to a pledge of the Government to a continuous consideration of all the existing and future problems which may arise to interfere with the prosperity of the farmers.

A BOLD EXPERIMENT, BUT CONSTITUTIONAL AND WORKABLE

It creates a Federal farm board, clothed with broad and ample powers, unhampered by administrative restrictions, to deal promptly and effectively with whatever contingencies may arise. It thus throws the encircling arm of the Government around the depressed and despairing industry with the authority, information, and finances of the Government to aid and assist in the solution of many of the problems of the industry, both chronic and long time, including the marketing of farm products. And herein lies the strength and great merit of this bill, namely, in the omission and absence of administrative restrictions, with broad powers, necessary machinery, finances, and mandate to proceed. It is comprehensive in its scope. It is liberal in its

appropriation of \$500,000,000, which revolving fund may do the work of \$5,000,000,000. [Applause.]

It is true it is a bold experiment. It is doing something for the farmers of this country that has never been done for any other class or group of citizens. But while the course may be uncharted, yet the bill is sound and workable. It encompasses all the assistance that the Government can render within sound economic and constitutional limitations. In other words, it goes just as far as the prudent man, willing to take a chance, would go and the farmers of this country are in every way deserving of the venture, of the hazard and risk of the enterprise.

I am not impressed with the criticisms and objections made to this bill. I have more confidence in the willingness of the farmers to cooperate with the Government in a joint undertaking to reestablish the independence and prosperity of the industry. I not only believe the bill is absolutely sound and will work but that it will produce results, possibly not immediately, but within a reasonable time after its enactment, within a period sufficient to organize an efficient marketing machinery to orderly market farm products.

#### THE FEDERAL FARM BOARD—GUARDIAN OF AGRICULTURAL INTERESTS

In addition to the adoption of a sound, constructive policy and through the creation of the board a responsible head is established, authorized to exercise the power of guardianship over the industry, similar to that which the Interstate Commerce Commission exercises over the transportation systems of the country. This board, composed of the ablest talent the President can secure, will be ever industrious, alert, and vigilant in the discharge of its duties as such guardian, ever watchful and jealous of the interests of its ward. It will ever be an authorized representative of the industry in the Capital where it can, with authority, appear before the committees of Congress and present its needs.

The board is required to make an annual report to Congress, and thereby will be insured continuous study and consideration and the enactment of remedial legislation as future needs may show it to be necessary. This would insure unity of action, a more ready response of Congress. We should have had such a board six or seven years ago to speak for the industry instead of self-appointed leaders who sowed dissension and created division so as to defeat all progress during that period. They are the ones, and not the Congress, responsible for the delay.

This board will be a clearing house for farm problems of all kinds. It will have at its disposal all the material information of all the different departments of the Government. Section 9 of the bill authorizes the President, by Executive order, to transfer to the board the whole or any part of any office, bureau, service, division, commission, or board in the executive branch of the Government which may be helpful to the board in the solution of farm problems.

The bill authorizes cooperative associations of each commodity to elect seven of their members to compose an advisory committee to represent their commodity to the board. Thus, through such agencies, the board will have a continuous picture of each commodity constantly before it, a composite of all the commodities and of the industry. Through the organization of cooperative associations and their federation and the advisory commodity committees representing such, the board, for instance, will have a picture of all the wheat fields in the United States as one field, of all the cotton fields as one field, of all the cornfields as one field, and so forth. Likewise, it will have a picture of all the storage facilities for each crop, the country elevators, the terminal elevators, and all the mills, with their storage and milling capacity, of all the gins and cotton mills, and accurate surveys of each and all and the amount of their consumption. All this information and all the valuable material information pertaining to marketing available will be placed at the disposal of the cooperative associations and their stabilization corporations, the membership of which is strictly limited to cooperative associations, except in territory where there are not sufficient cooperatives to work with. This will not only include the most dependable information regarding our own markets, with their daily gluts and scarcities, but that of the markets of the world, and the most advantageous time and place to dispose of our exportable surpluses.

Through such information the board will be able to accurately trace each commodity from its source of production to the ultimate consumer and thus eliminate the useless and expensive waste and overhead now existing and which permits the producer to receive only 45 cents out of each dollar which the consumer pays.

#### INCREASE THE FARMER'S SHARE IN THE CONSUMER'S DOLLAR

Here is the biggest field for improvement in farm conditions. For the \$9,779,000,000 which the farmer received for his farm products the consumers paid \$21,730,000,000, the cost of the dis-

tribution being \$11,951,000,000; or, in other words, here is the field where the farmer has to pay 55 cents to distribute every dollar's worth of products he sells. Here is a field wherein it costs the farmer \$100.80 to distribute a thousand pounds of beef for which the farmer receives \$72.40. The consumers of the United States consume 6,884,000,000 pounds of beef annually and the farmer pays, in his lesser price for its distribution, \$693,970,200. For the distribution of a bushel of wheat in the State of Oklahoma, selling for \$1.48, in the process of transportation, selling, storage, and milling and baking, it costs \$4.28, so that the bushel of wheat in its ultimate loaves costs the consumers of New York \$5.76. The cost of the distribution of bread alone amounts to \$2,086,928,000 annually and we could go on indefinitely, but from the above it will be seen that herein lies the big field of reclamation and the bill provides for this work. It will stop the waste and cut out the overhead and put the producer, through his cooperative organizations, in direct contact with producer-controlled clearing houses to distribute direct to the consumer. It will thus increase the price the farmer gets for his product just to the extent of the reclamation and that should result in giving him not less than 60 cents out of the consumer's dollar instead of 45 cents, or \$3,259,000,000 more than he now receives for his crops.

#### THE FARMER'S RESPONSIBILITY TO ORGANIZE AND COOPERATE

One of the most commendable features about this bill is that it does not set up any bureau or confer any bureaucratic power to take charge of the farmer's business. It puts everything up to the farmer himself. It is bottomed on the cooperative associations which must be farmer owned and farmer controlled. The bill is constructed on the premise that the only way the unorganized farmers can secure a bargaining power price for his products is through farm organizations of his own.

The farmer is the only man who can organize himself. The President can not organize the farmers; the Congress of the United States can not organize them—and rightly so. The freedom and independence of the farmer must be protected and respected. But we have faith to believe that when the farmer sees that the Government in good faith is now extending to him every possible assistance it can and that he must organize to cooperate with the Government attempting to help and better his condition, he will respond as loyally to the Government as he always has. Here we have the Government with all its power and all the money necessary and yet the heart and soul of the success of this great experiment lies in the initiative and good judgment of the farmer himself. Will he respond? Will he cooperate? Will he show his appreciation? He never yet has failed.

The Government can not engage in the buying and selling of farm products. Such a course would disrupt our entire economic structure and ultimately make prices dependent upon the result of the elections; but in this bill, the Government does all but that. It furnishes all the marketing information of all its departments and agencies, the service of all of its experts, and it furnishes a board of the best talent it can secure. It furnishes the money but it can not go farther and remain on solid footing. The buying and selling of farm products, under the terms of this bill, is left exclusively to the farmers themselves and to do that successfully, they must do it collectively and not compete among themselves. They must organize, federate, and sell through one agency.

#### THE GOVERNMENT AND EFFICIENT ORGANIZATION IN AGRICULTURE

There may be some hesitation about again joining a cooperative association. We all have been through a great number at some time or other during our lives, beginning with the country creamery, elevator, marketing agency, and pool, in each of which we were not federated, and our little control of our little trade territory could not be expected to have much influence upon the whole product and did not. They were economically unsound because of the very lack of such federation. While we were withholding in our township, county, or State, our neighbors were selling in the adjoining township, county, or State. Competing agencies had more information, experience, and money than we did. The farmer on the outside obtained all the benefits that we did on the inside without any risk or expense, and as a consequence the membership decreased and the organizations finally ceased to exist. This has been the experience in many instances. Sometimes it was bad management or dishonest management but whatever it was, the conditions have been and now are so different that they form no precedent prejudicial to the effecting of efficient cooperative organizations under the terms of this bill.

For the first time in the history of this country, the Government, with all its power, will be supporting to its limit, farmer-owned and farmer-controlled cooperative associations. It will also back up the organization of the stabilization corporations, representing each commodity. They will be composed of co-



operative associations. Such stabilization corporation will hold and market the product that it has been organized to handle. It will have what the individual farmer has never had, namely, the bargaining power necessary to exact a reasonable price. The stabilization corporation will buy only during gluts on the market and sell during periods of shortage and finally export the balance.

Between periods, the stabilization corporation is not going to sleep. It is going to be ready for action and will be a continuous threat against price depression. It will level the peaks and valleys of high and low prices to give to the farmers the average price throughout the year and here is another big field for reclamation, a field yielding millions of dollars annually to the speculators in grain. Through the stabilization of the domestic market, speculation in farm products, to a large extent, will cease and the raiders of the once "happy hunting grounds" will ride down the canyon, out upon the plains, and disappear in the falling gloom. [Applause.]

These stabilization corporations composed of cooperatives, backed up with Government finances and aided with the most dependable information, wisely administered, will make money. They will make the money the speculators have been making on farm products. They will distribute dividends to their stockholders, the cooperative associations, who in turn will prorate such back to their membership, so that the profits now going to the speculators in farm products in a large degree will go to the organized producers. The dividends will not be distributed to the farmer on the outside, but only to those on the inside, and this will furnish the inducement for farmers to respond to the Government's request to organize. Now and then, of course, as in all business ventures, there may be a loss, but under no circumstances will the farmer be called upon to make good in such loss if it should occur. The loss would be made good out of the future profits of the corporation.

#### UNCLE SAM'S WISE SUPERVISION

There is another provision in this bill to which I desire to call your attention. Paragraph B of section 5 provides:

Upon application by any cooperative association the board is authorized to make loans to it from the revolving fund to assist in (1) the effective merchandising of agricultural commodities and food products thereof; (2) the construction or acquisition by purchase or lease of storage or other physical marketing facilities for such commodities and products; (3) the formation of clearing-house associations; and (4) extending the membership of the cooperative association applying for the loan by educating the producers of the commodity handled by the association in the advantages of cooperative marketing of that commodity.

Now, then follows the language to which I desire to call your attention:

No loan shall be made under this subdivision unless, in the opinion of the board, the loan is in furtherance of the policy declared in section 1 and the cooperative association applying for the loan has an organization and management, and business policies of such character as to insure the reasonable safety of the loan and the furtherance of such policy.

Thus we see that before any money is advanced, experts of the board will make a thorough examination of the association. They will make a survey of the cooperative need of the trade territory—for health, growth, and sound organizations. In a sympathetic, helpful, informative, and most effective way assistance will be rendered in the work of reorganization and rebuilding.

Uncle Sam is not going to be arbitrary or dictatorial or tell the farmers they must do this or do that. He is simply going to suggest that if they want to borrow Government funds to help market their products they should comply with his conditions. He probably will insist that his own accounting system should be installed in the interests of economy, accuracy, and completeness; that the management be securely bonded. There may be other conditions which he may deem necessary. You see, he is venturing out in a new field and is going to exercise the care and caution and good judgment usually attributed to him—all this not alone to protect his loan but to protect the farmers who are dependent upon his good judgment and assistance to make the marketing of farm products a success. And, in addition to this, Uncle Sam will just by force of habit drop around once in a while, and every once in a while to see for himself and the farmers just how things are going. He has shouldered this responsibility, and he is going to see it through. [Applause.]

#### HOOVER—"HANDY MAN"

Herbert Hoover represents Uncle Sam. He is conceded to be the best organizer of modern times. He knows what organi-

zation is. Organization has been his life work. Whenever an administration, Democratic or Republican, did not know what to do with a new, intricate problem for which there were no rules nor precedents they called on Hoover. He was the "handy man," and he never failed. His heart is set on the protection of the family on the farm, upon insisting that its independence and deserved prosperity be assured. He now calls upon you to join with him in every intelligent effort to better farm conditions, and in the degree that we cooperate will our prosperity and independence be restored.

In his speech of acceptance, President Hoover said:

The most urgent economic problem in our Nation to-day is agriculture. It must be solved if we are to bring prosperity and contentment to one-third of our people directly and to all of our people indirectly. We have pledged ourselves to find a solution. \* \* \*

The working out of agricultural relief constitutes the most important obligation of the next administration. I stand pledged to these proposals. The object of our policies is to establish for our farmers an income equal to those of other occupations; for the farmer's wife the same comforts in her home as women in other groups; for farm boys and girls the same opportunities in life as other boys and girls. So far as my abilities may be of service, I dedicate them to help secure prosperity and contentment in that industry where I and my forefathers were born and nearly all my family still obtain their livelihood.

In his speech at St. Louis near the close of the campaign he clearly outlined the program of farm relief which is embodied in the provisions of this bill:

We propose to create a Federal farm board composed of men of understanding and sympathy for the problems of agriculture; we propose this board should have power to determine the facts, the causes, the remedies which should be applied to each and every one of the multitude of problems which we mass under the general term, "the agricultural problem."

The program further provides that the board shall have a broad authority to act and be authorized to assist in the further development of cooperative marketing; that it shall assist in the development of clearing houses for agricultural products, in the development of adequate warehousing facilities, in the elimination of wastes in distribution, and in the solution of other problems as they arise. But in particular the board is to build up with initial advances of capital from the Government farmer-owned and farmer-controlled stabilization corporations which will protect the farmer from depressions and the demoralization of summer and periodic surpluses.

It is proposed that this board should have placed at its disposal such resources as are necessary to make its action effective.

Thus we give to the Federal farm board every arm with which to deal with the multitude of problems. This is an entirely different method of approach to solution from that of a general formula; it is flexible and adaptable. No such far-reaching and specific proposals have ever been made by a political party on behalf of any industry in our history. It is a direct business proposition. It marks our desire for establishment of farmers' stability and at the same time maintains his independence and individuality.

#### TARIFF REVISION IN THE FARMER'S INTERESTS

Supplementing the relief to be effected by this bill will be the enactment of a tariff bill, yet unreported, to increase the rates on agricultural products and to give to the American farmer the full benefit of his home market. Farm surpluses are the most vexing factors in the problems of profitable farm prices, and yet because of our cumbersome legislative machinery we have been during recent years largely importing our surpluses, the products of foreign farmers in foreign countries competitive with our own.

Four and two years ago I introduced bills in the House to raise the rates on such farm products so as to give our farmers the home market. Now we are convened in special session to do this very thing which we should have done four years ago. In raising such rates and keeping out such products produced on cheap lands with cheap labor we will go a long way toward solving the vexing problems of the surplus, especially so when supplemented by the stabilization of prices in our domestic market which the pending bill will insure.

#### TO-DAY'S PROGRAM FOR FARM RELIEF EMBODIED IN GARBER PLATFORM OF 1922

Such comprises the major plans for farm relief which I incorporated in my platform in my first campaign for Congress in 1922, and ever since I have been using every public agency, through the press and on the stump and before the House, to develop support for such program, the identical program which we are now adopting. I refer to this to show that my service as a Representative in Congress has been rendered in the most effective way for the benefit of the people I represent, in all of which I am justly pleased to have so served them. To refresh faded recollections I quote from my first platform:

The restoration of prosperity is the great problem of the day. In its immediate solution all classes of people are vitally interested. Agriculture is the basic industry. It is a \$60,000,000,000 concern. In numbers the farmers and their families represent one-third of our population; in wealth, one-third of the Nation's resources. The prosperity of the farmer means the prosperity of all.

The question of farm relief is one of the successful merchandising of farm products. A Federal farm board must be established to assist in effecting an efficient merchandising agency, with funds sufficient to stabilize the price of farm products throughout the year.

Supplementing this I incorporate in the RECORD a speech made by me in the House during the year 1927, which is just as applicable to-day in the support of this pending bill as it was to the conditions then existing:

#### MERCHANDISING—THE MAJOR PROBLEM OF AGRICULTURE

On the bill (S. 4808) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities

Mr. GARBER. Mr. Speaker, Members of the House, the discussion of the problems of agriculture has proceeded for a period of 10 days, covering many phases, conditions, and remedies proposed, and yet but little has been said concerning the actual facts in the transaction of present-day merchandising—facts which confront the farmer upon every hand when he purchases his necessities. The major problem of farm relief is one of the successful merchandising of farm products, and it is my purpose to call your attention to existing conditions concerning this phase of the subject; in other words, to request you to face the facts of domestic trade and commerce, as they actually exist in their operation of vicious discrimination and disadvantage to agriculture.

#### THE NEW EPOCH—ELIMINATION OF COMPETITION IN MERCHANDISING

As competition in the merchandising of nonagricultural products has decreased by reason of the growth and development of the collective-bargaining power of labor and the trade associations to establish and maintain uniformity in price, so in equal degree prosperity in agriculture has decreased by reason of the disadvantages thus created. The postwar revolution has intensified the disadvantage. It has ushered in a new epoch, an epoch of corporate organizations and controls, price controls sufficient to enforce the cost-plus system against the farmer.

Let me speak to you as a dirt farmer, out of an experience of 25 years in that industry. When I purchase lumber for my improvements I am compelled to pay a price fixed by the cost-plus system; when I purchase implements for equipment, I am compelled to pay a price fixed by the cost-plus system; when I send my products to market, I am compelled to pay a price for transportation fixed by the cost-plus system; when I employ a commission merchant to sell my products, the price is fixed by the same system; when I purchase flour, sugar, coffee, tea, groceries, clothing, I must pay the price fixed by the cost-plus system.

It is a cost-plus system for everything I have to buy and unrestricted competition for everything I have to sell. This is the down-to-now system of merchandising by price controls that prevails throughout the country for the sale of nonagricultural products. It is the new system that has finally succeeded in eliminating from the old economy in merchandising the material factor of competition that largely controlled in every transaction. This economy in its present-day merchandising through price controls attempts to justify itself for the elimination of competition in price by the elimination of waste from the system.

#### THE FARMER THE VICTIM OF THE COST-PLUS SYSTEM

By reason of his numbers, the farmer has been unable to conform to this new economic complex. This rapid revolutionary readjustment of price controls for nonagricultural products has left him at its mercy. In its presence he is helpless; he must pay the price demanded, while the prices of farm products are subject to a ruinous competition from within by the farmers themselves and organized raids for price depression from without. Thus, against the cost-plus system for everything he buys, in his helpless and unorganized condition, he must submit to the price depression of unrestricted competition for everything he sells. He is without the power of organization; he has no bargaining power; he is unable to make the public pay; he has only the plaintive plea, "Please, mister, I will have to take whatever you are willing to give." As a consequence, through his own competition and outside organized price depression, the raiders have been taking the profits on farm products which should rightfully accrue to the producer.

#### FACE THE FACTS!

With the cost-plus system for everything it buys and unrestricted competition for everything it sells, agriculture has been and now is the "happy hunting ground" of the raiders to pillage and plunder. What are the results?

The purchasing power of farm products during this period has ranged from 69 to 85, and now has receded to 80.

Once prosperous, agriculture now presents conditions of dilapidation and despair, with a mortgage indebtedness increasing in amount from \$4,000,000,000 to \$12,250,000,000 since 1910.

The depreciation in agricultural values and prices of farm products during this period has been appalling. It is reflected in shrunken values and failed banks throughout all the agricultural States. Out of 3,068 bank failures in the United States for the period 1920-1926, 95 per cent were in agricultural areas.

Such depression, depreciation, and increased mortgage indebtedness is in striking contrast with the prosperity abounding in the industrial East. It is reflected in the number of farm foreclosures for the period between 1910 and 1924, which shows an increase of over 1,000 per cent, in contrast to that of commercial failures, which have remained practically the same.

It is reflected in the capital investment of farm property, which decreased from \$47,000,000,000 in 1920 to \$32,000,000,000 in 1925, a loss of approximately \$3,000,000,000 per year.

In 1913 the total value of all farm property was \$45,227,000,000; in 1920, \$79,607,000,000; and in 1925, \$59,154,000,000. Reduced to terms of 1913 purchasing power, however, the total value of all farm property in 1925 was only equal to \$38,188,000,000 of 1913 purchasing power. In other words, all farm property in the United States in 1925 had only 84.4 per cent of its purchasing power in 1913. As the experience of every farm landowner will fully verify, the purchasing power of farm lands has decreased in excess of 20 per cent as compared to 1910. In fact, farm lands at the present time might be classed as unsalable property, generally recognized as unprofitable investments.

According to a recent announcement of the Department of Agriculture, there has been a slump in the value of farm crops in the United States for the year 1926 amounting to \$1,148,000,000 over the previous year, a decline due primarily to lower prices for most of the farm products rather than to decreased production, although production in some crops was slightly less than that in 1925. A little over half of this decline was due to the lower price of cotton. The revised estimates of the crops of 1925 placed their value at \$8,940,321,000. The principal crops for 1926, based on the December 1 farm prices, were valued at \$7,801,313,000. Thus during 1926 more than \$1,000,000,000 in losses has been added to those already sustained by the overburdened industry.

The average annual net income of the farmer in 1924 was \$730, compared with \$1,250 for the common laborer, \$1,678 for preachers, \$1,298 for teachers, \$1,650 for Government employees, and an average of \$1,450 for all walks of life outside of agriculture.

The average earnings of the people engaged in farming are 23.1 cents an hour, compared with 56.1 cents for factory workers, 58.3 cents for railroaders, 83.4 cents for anthracite miners, and \$1.05 for workers in the building trades.

The farmer, with his average investment of \$9,000, working from 12 to 16 hours per day, aided by the members of his family, receiving a net income of \$730 per year, and this at a time of almost unprecedented prosperity for all other lines of industry! What a magnificent sum it is! Does it not show that he is still permitted to enjoy too much? Why, that amount is only \$520 less than the common laborer, with no capital and no aid and working but eight hours per day, receives.

#### THE REMEDY IS NOT IN FOREIGN MARKETS

What is the remedy for such conditions? Some say the remedy lies in an increase of exports of agricultural products and their sale in the world markets. Reduce the tariff! Permit competitive nations to sell their goods in our markets in consideration of our selling our surplus farm products in foreign markets. And yet, at the very time we were selling more farm products in the markets of the world than we ever did before, farm values and farm prices were depreciated to the lowest point here. In order that there may be no mistake about this, no speculation or mere guesswork, we herewith insert a table of agricultural products showing the amount of their export during the year 1923, when the purchasing power of farm products and farm values were at their lowest point, as compared with the pre-war average.

#### Agricultural products

[From the Manufacturers Record, August 30, 1923]

	Pre-war average	Fiscal year 1923
Wheat.....bushels..	56,913,228	154,950,971
Corn.....do.....	39,809,690	94,080,090
Rye.....do.....	854,765	51,410,000
Barley.....do.....	7,895,521	18,190,000
Potatoes (white).....do.....	1,511,000	2,980,000
Oats.....do.....	8,304,203	18,573,000
Wheat flour.....barrels..	10,678,635	14,882,714
Oatmeal and rolled oats.....pounds..	24,297,000	123,115,317
Rice.....do.....	16,215,000	318,940,870
Sugar.....do.....	79,368,000	749,855,325
Lard.....do.....	482,159,000	952,641,705
Bacon.....do.....	188,750,000	408,282,000
Ham and shoulders.....do.....	172,859,000	318,186,689
Butter.....do.....	3,110,777	9,409,837
Cheese.....do.....	2,654,315	8,446,321
Milk, condensed and evaporated.....do.....	16,473,782	157,000,000
Wheat, including flour.....bushels..	104,967,085	221,923,184



## SUCCESSFUL MERCHANDISING—THE ONLY SOLUTION

What is the remedy? Better prices for farm products, prices that will yield him a reasonable profit on his investment, and reasonable wages for his work. How can such be obtained? It is a question of successful merchandising, and in order that I may quote from high authority, permit me to digress for a moment to call your attention to the annual meeting of the Railway Business Association of the country, which was recently held at the Commodore Hotel in New York City. Whiteford R. Cole, president of the Louisville & Nashville Railroad, was the principal speaker of the occasion. He congratulated his fellow executives upon the earnings of the road for the year 1926, exceeding those of any previous year in the history of the country. He said:

"I point you to the unparalleled transportation performance of the railroads of this country for the last three years, when in each of those years, and in almost every month, the railroads have broken all previous records in the handling of tonnage without congestion and without appreciable car shortage or any of the attendant evils that we have been so accustomed to for many years prior to the transportation act of 1920."

The act inaugurated a new era of prosperity for the roads. It strengthened and increased the value of their stock. It gave them revenues sufficient to invest \$4,000,000,000 in equipment and betterments. It enabled them to break all records in tonnage hauled, in net revenues received, and in dividends declared.

## A RAILROAD EXECUTIVE'S ADVICE TO THE FARMERS

With all these good things in mind, with a record-breaking year for prosperity just closed, and standing on the pinnacle of high achievement, the speaker, filled with brotherly love and good spirits, digressed from his subject of transportation long enough to inadvertently give the farmers of the country the benefit of some wholesome advice. Speaking of the farmer, he said:

"Let him take a leaf out of the book of the labor unions and the trade associations. Let him put up a solid front and make us pay for the things he has to sell, like we are making him pay for the things he has to buy."

The rate of constructive return on the stock of the Louisville & Nashville Railroad for 1925, of which the distinguished speaker was president, was 16.74 per cent, and the rates of constructive return on stocks of roads represented by his associates ranged from 4.82 to as high as 21.40 per cent. The conditions thus warranted the felicitations and congratulations of his fellow executives.

In referring to the transportation act the distinguished speaker said:

"I have sometimes thought that in view of the fact that the Government fixed the rates which, of course, fixes the income of the railroads and largely fixes the price they must pay for labor, and they had to buy everything else in the open market when market conditions fixed the price of things—I have very often thought that the average railroad president did not have much to do but to hunt up the money with which to pay the deficits. That is not altogether true; certainly not in the last two or three years. The sun of prosperity has been shining on them in a large degree as a result of this enlightened policy."

## THE COST-PLUS SYSTEM AND THE ROADS

The enlightened policy referred to is the cost-plus system of the roads in selling their transportation to the consuming public. That is the system afforded the roads under the transportation act of 1920. Government administration had wrecked their properties, depreciated their values, and depressed their stocks to a point where they were unsalable. In fact, the roads were in the same condition that agriculture was. But the roads were given a cost-plus system under the act of 1920, which during the short period of five years has rehabilitated their systems, reconstructed and reequipped their roads, restored their credit, and doubled the value of their stock, with substantial dividends to every stockholder.

Knowing what the Government has done for the rehabilitation of the roads, the speaker of the occasion was competent to give first-hand advice to the farmers. When he told them to "put up a solid front and make us pay for the things he has to sell, like we are making him pay for the things he has to buy," he hit the bull's-eye of the major problem for farm relief.

## THE FARMER MUST HAVE HIS COST-PLUS SYSTEM, TOO

The farmer must have better prices for his products; he must have prices that will yield him a reasonable profit, the same as is enjoyed by labor and industry. In order to exact such prices he must have a bargaining power; he must be able to demand instead of being compelled to beg; he must be able to enforce a cost-plus system in the sale of his products to match against the cost-plus system for everything he has to buy; he must have a cost-plus system that will enable him to add on the costs, the same as class 1 roads have been doing during the past three years under the Esch-Cummins Act, and the same as organized labor is doing, protected by the immigration act.

## THE GOVERNMENT MUST HELP THE FARMER HELP HIMSELF

What is the remedy for present agricultural conditions? In the language of the railroad executive, "The farmer must put up a solid front and make the public pay as he is compelled to pay!" The power of organization to merchandise his products must be extended for his relief—organization that will enable him to exact a reasonable price for his products, a price that will yield him a reasonable profit sufficient to maintain the family on the farm.

To place the business of the merchandising of farm products upon an equality and plane equal to that of the merchandising of industrial products is beyond the power of the individual farmer. It is beyond the power of his scattered organizations to solve. The Government alone, through a Federal commission with funds sufficient to stabilize the market, can furnish him such power. Through the transportation act of 1920 it furnished such power to the railroads of the country; through the Federal reserve act it furnished such power to the banks of the country; through the immigration act it enabled labor to acquire such powers. Why not furnish such power to the farmers of the country, representing the most important industry of all, the basic industry that alone furnishes the necessary food that appears each day upon the tables of the consuming millions to sustain the life of all?

## "ACRES OF DIAMONDS" AT HOME!

Equality of purchasing power for the 30,000,000 people living on the farms would afford a market here at home equal to that of 60,000,000 people in any foreign country. Why neglect the development of the purchasing power of this market? It is a case of "acres of diamonds" at home!

Give the farmer equality of purchasing power, "Pass prosperity around," and it will return to you! If you believe in the doctrine of protection, establish and maintain the purchasing power of your home people, your best customers, the people who have always voted protection for you!

Surely our Government should be as greatly concerned in agriculture as it has been and now is in other lines of industry in this country and as the governments in other countries are concerned in their agriculture. The farmers of this country have contributed their part toward the building of this Nation.

The agricultural industry exercises normally a purchasing power of nearly \$10,000,000,000 annually for goods and services produced by others.

It purchases about \$6,000,000,000 worth of manufactured products annually, or about a tenth of the value of the manufactured goods produced.

It supplies materials upon which depend industries giving employment to more than half of our industrial workers.

It pays directly or indirectly \$2,500,000,000 of the wages of urban employees.

It supplies about an eighth of the total tonnage of freight carried by our railroad system.

Its products constitute nearly half of the value of our exports.

It pays in taxes about one-fifth of the total cost of Government.

Our farms and farm property represent nearly one-fifth of our tangible national wealth, and agriculture has contributed in recent years about one-sixth of the national income.

## THE HOME MARKET FOR THE HOME FARMER

To say the very least, under your slogan "Trade at Home," the farmers are entitled to the full benefit of the home market, a market worth more to us than the entire markets of the world. Yet during the year 1925, out of an approximate total of \$1,818,000,000 worth of imported agricultural commodities admitted into this country, \$1,056,000,000 worth, or more than 50 per cent, were such as to be in direct competition with the products of the American farmer. They included the following items: Animals, approximately \$8,800,000 worth; meat, \$7,252,000 worth; eggs and egg products, \$8,988,000; milk and cream, \$10,114,000; butter, \$2,646,000; cheese, \$17,349,000; animal fats, \$637,000; hides and skins, \$96,746,000; leather and partly manufactured leather, \$86,266,000; miscellaneous animal products, \$25,000,000; grains and grain preparations, \$26,237,000; fodders and feed, \$11,850,000; vegetables and vegetable preparations, \$36,244,000; fruits (excepting bananas), \$24,500,000; nuts, \$34,283,000; oilseeds, \$64,725,000; vegetable oils and fats, \$75,000,000; sugar, sirups, and honey, \$266,008,000; seeds \$11,870,000; tobacco, \$83,881,000; miscellaneous vegetable products, \$5,000,000; cotton, \$52,775,000; flax, \$3,575,000; straw materials, \$3,798,000; wool, \$141,976,000.

## GIVE THE FARMER EQUALITY

The farmer is not asking for a subsidy but for equality, for relief from the conditions created for prosperity for labor and industry which now operate against him and place him at a disadvantage with which he is unable to cope. Give him the machinery to successfully merchandise his products, a bargaining power with which he will be able to make the public pay a reasonable price, and the prosperity you now enjoy will be given a reserve to make it permanent!

Mr. LAGUARDIA. Mr. Chairman, I offer an amendment, which I send to the desk.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. LAGUARDIA: Page 11, line 20, strike out the period, insert a semicolon and the following: "and the corporation further agrees with the board, under such terms as the board may require, to comply with such orders as the board may from time to time issue for the purpose of carrying into effect all or any of the provisions contained in paragraph (c) of this section."

Mr. LAGUARDIA. Mr. Chairman, I would like to have the attention of the members of the committee for just a moment. I want to do something that I am not very good at doing and that is to plead and to beg the support of the membership of this House for this amendment.

As was just stated on the floor of the House by the gentleman from Georgia, section (c) seems to be inserted in the bill simply as an apology. The gentleman from New Jersey [Mr. FORR], the other day, in his very able and frank discussion, honestly called it the psychological section of the bill.

It is the only protection which millions of citizens in the industrial centers of this country have in this bill. I say to the gentleman from New Jersey that applied psychology is not of any comfort to people with bodily hunger staring them in the face. If you want to give effect to this section, if you mean what you say, then adopt my amendment. It provides that one of the conditions for recognition of a stabilization corporation is that it will agree to such terms as the board may lay down in order to carry out the provisions of section (c) of this paragraph. It puts teeth in this saving provision. The amendment provides the machinery for putting into effect what it says and what you say it means—that is, to protect the consumers.

The gentleman from New Jersey [Mr. FORR] suggested that perhaps the board may invoke the Sherman antitrust law in putting section (c) into effect, but I submit to any lawyer in this House that this bill is pregnant with negative provisions taking the whole scope and purpose of the bill away from the provisions of the Sherman law.

Now, what protection can we have? Oh, it was suggested here the other day by the gentleman from Nevada [Mr. ARENTZ], and I believe he put it in the RECORD, that the act of February, 1922, would be applicable and give life to section (c). Well, what does that provide? That provides that where cooperatives are hoarding or holding back food products in order to unduly enhance prices a 30-day notice may be served on the offending parties, and they have 30 days within which to answer, and if then they do not comply an action may be instituted in the Federal courts.

Why, gentlemen, that is of no comfort where you have a condition of unduly enhanced prices brought about by the hoarding of any commodity. It is of no comfort to the millions in the industrial East that you may resort to the courts for protection. In such a case we do not want a right of action; we want food. We need something immediate here.

Mr. LUCE. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. LUCE. Is it not also the case that the provision referred to refers only to cooperative associations and does not cover stabilization corporations?

Mr. LAGUARDIA. Exactly. I thank the gentleman.

Mr. LUCE. And can the gentleman explain why we should make fish of one and fowl of another?

Mr. LAGUARDIA. Exactly; the gentleman's question answers itself.

We need something here so that if this condition should be brought about, if prices should be unduly enhanced so as to bring distress, the board would have the power, and the stabilization corporation be so obligated and bound that food could be immediately released in an amount sufficient to alleviate the suffering that such a condition will bring about.

Gentlemen, this is very serious to us. I appeal to you representatives of the farmers. We want to go ahead with you. We want to cooperate with you, but do not get us into the position where the consumers at home will lose confidence and refuse to cooperate with the farmer in the future. Do not be selfish. The industrial East wants to cooperate with you, but at least be honest and put some force into this section of the bill. [Applause.]

Mr. ABERNETHY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, ladies and gentlemen of the committee, I have not spoken on the merits of this matter. I have been engaged in trying to find out just where we stand in following our farm leaders of former years. [Laughter.]

I started out in my early career as a Member of Congress following the distinguished gentleman from Iowa, Mr. HAUGEN, and the distinguished gentleman from Iowa, Mr. DICKINSON, for farm relief. I have voted consistently all these years for what they said was the only thing that would save the farmer, and that was a farm relief bill with the equalization fee in it. [Applause.]

I have followed them as against the distinguished gentleman from New Jersey [Mr. FORR].

But still, being a friend of the farmer and wanting to do something for him and knowing there is no chance in the world to follow further this great idea of the equalization fee this special session, because it has been ruled out of order, I find myself in a situation where I am compelled to follow the gentleman who is said to be the official spokesman of the President in the House, the gentleman from New Jersey [Mr. FORR], or get no relief at all, and I am going to vote for this bill, equalization fee or not. [Laughter and applause.]

Mr. LAGUARDIA. Mr. Chairman, I ask unanimous consent that my amendment may be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The amendment was again read by the Clerk.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LAGUARDIA].

The amendment was rejected.

Mr. ALLGOOD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Page 11, line 23, after the word "members," insert "or nonmembers upon a fixed basis who shall not participate in any other benefit."

Mr. ALLGOOD. Mr. Chairman, this gives men who will not join the cooperatives the benefits of the measure. This principle is carried out now by some farm cooperative organizations. The farm bureau has established this principle. In Alabama they permit members or nonmembers to participate in the benefits of the cooperative organization. In other words, they handle the products of men who have not joined the farm bureau. If this bill is to be effective and represent agriculture, it must control a large volume of the farm products.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. ALLGOOD. Remembering the gentleman's magnanimity with Members in regard to yielding time, I yield.

Mr. CLARKE of New York. I want to ask the gentleman if the farm bureau in the cooperative organization in the State of Alabama is handling farm products?

Mr. ALLGOOD. It is, and it is carrying out the principle that I have embodied in my amendment. As I said, the bill to be effective must handle a large part of the farmers' products. My amendment will aid in securing additional products and getting farmers into the association, and I can see no objection why you should not admit nonmembers on a fixed basis for their products to be handled by this bill. I hope the leaders on this committee will take my amendment into consideration. I am not here trying to override the committee. I am trying to cooperate and work with them. I am going to vote for the measure with the idea that in coming Congresses we can see the defects and remedy them. This measure will finally have to be amended. It has not been absolutely worked out to a finality, and you will find that hereafter it will have to be amended in many particulars. I am trying to point out some places where it can be strengthened, and I plead for your consideration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The question was taken, and the amendment was rejected.

Mr. KINCHELOE. Mr. Chairman, I move to strike out the last word. I do not do this for the purpose of prolonging the consideration of the bill, but there seems to be a conflict in the debate as to the construction of subsection (b) at the bottom of page 11 and the top of page 12 as to what the stabilization corporation can do when it is organized.

The reason I want to make these observations is that every lawyer knows that the court in construing an act of Congress undertakes to get the intention of Congress by reading the debates.

Now, as to this stabilization corporation the question has been asked whether they can borrow money for purchase and storage of merchandise of cooperatives alone or for private individuals or both.

This stabilization corporation is established for two purposes. Bear in mind that they are farmer owned and farmer controlled, but they are created for two purposes. First as shown in subsection (b) is a marketing agency for stockholders and members. The commodity committee of each commodity can go to the board and request a loan of the stabilization corporation



and the board in its discretion can make such loan. After it is made the stabilization corporation can take the money and use it for the purpose of buying merchandise of the cooperatives or from any private concern or individual. My own opinion is that a stabilization corporation will never buy a dollar's worth of this from any cooperative, because they are going to buy when the price is depressed, and they are going to buy where they can buy the cheapest. The purpose of the cooperative is to get the best price it can for its members. Therefore, the stabilization corporation will go out into the market and buy where it can buy the cheapest; of course, if any cooperative wants to sell any of its products at the depressed price, it has the right to do so. Under this bill the stabilization corporation can buy products of its member cooperatives or can buy from any individual or group of individuals for the purpose only of stabilizing the price, and if they buy in a depressed market, and if this does what we hope it will, they will sell in a stimulated market and always make money, and the Government will not lose a dollar.

Mr. WILLIAMS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. WILLIAMS of Illinois. In addition to what the gentleman has so well said, permit me to say further that at no time during the consideration of this paragraph of the bill by the committee was any doubt expressed by any member of the Committee on Agriculture that the stabilization corporation was created for the purpose of going out into the open market and buying a commodity without reference to whether the commodity was purchased from the members of the cooperatives or of people outside.

Mr. CANNON. Mr. Chairman, will the gentleman from Kentucky yield?

Mr. KINCHELOE. If I have the time.

Mr. CANNON. The gentleman has stated that this corporation would make money in the handling of grain.

Mr. KINCHELOE. If it exercises good judgment, it would always make money.

Mr. CANNON. I wonder if they will make the same disposition of it that the Government made of the \$57,000,000 profit it took from the farmers when it fixed the price of wheat during the war.

Mr. KINCHELOE. I understand that the grain corporation, during the war, turned the money back into the Treasury, and I do not know any better place to turn it back, after it borrowed the money from the Treasury.

Mr. CANNON. And did the farmers who grew the wheat get the benefit of it?

Mr. KINCHELOE. The gentleman means of the profit that was made?

Mr. CANNON. Yes.

Mr. KINCHELOE. No. But under this bill it will be farmer owned and controlled, and after they create a sufficient reserve, in the opinion of the board, all of the profits will go to the farmers.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. HASTINGS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HASTINGS: Page 12, line 1, after the word "purchase," insert the words "either from stockholders, members, or nonmembers."

Mr. HASTINGS. Mr. Chairman and gentlemen of the committee, the gentleman from Kentucky [Mr. KINCHELOE] has assured us what the provision means. The gentleman from Illinois [Mr. WILLIAMS] has added his assurance as to what it means; but I remember yesterday during the discussion that the gentleman from Arkansas [Mr. WINGO] asked the chairman of the committee, the gentleman from Iowa [Mr. HAUGEN], its meaning, and the chairman of the committee said that the purchase of any commodity was confined to stockholders or to members and that the board could not go outside and purchase from nonmembers. That is what the chairman said yesterday, and I submit this language needs to be clarified. Let me call your attention to the fact that the Senate Committee on Agriculture, in reporting this provision, has put the clarifying language in the bill and made it absolutely clear that the board could purchase both from members and from nonmembers. Yesterday during the colloquy the chairman of the Agricultural Committee [Mr. HAUGEN] said that the construction to be placed on this provision was that the board could buy only from members or shareholders.

Mr. WHITTINGTON. And on page 468 of the Record the chairman said it not only once in response to the gentleman from Arkansas, but he said it twice, using the language, "It is limited to members."

Mr. HASTINGS. I thank the gentleman from Mississippi for the interruption, because it shows the necessity for clarifying the language. Let us see what subdivision (b) provides:

(b) The stabilization corporation for any agricultural commodity may act as a marketing agency for its stockholders or members, and upon request of the advisory commodity committee for the commodity the board is authorized to make advances to the stabilization corporation for working capital to enable it to purchase, store, merchandise, or otherwise dispose of the commodity. Such advances may be for such period or periods and upon such terms and conditions and at such rates of interest as the board may prescribe.

I think you can interpret that provision to make "the commodity" refer back to the commodity of stockholders or members. Why not clarify it? If there is doubt in the interpretation of the sentence, why not adopt this amendment?

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS. Yes.

Mr. BANKHEAD. I suggest that inasmuch as this seems to be an important matter, that the gentleman from Oklahoma now again propound to the chairman of the Committee on Agriculture, after he has had conference with some members of the committee, as I see, what the proposition means.

Mr. HASTINGS. If I have time I shall be glad to have an expression from the chairman of the committee as to the meaning of the lines on top of page 12 with reference to "purchase, store, merchandise, or otherwise dispose of the commodity." Would that enable the stabilization corporation to go outside its shareholders or members and purchase of nonmembers?

Mr. HAUGEN. It will enable it to do exactly as stated.

Mr. HASTINGS. That is not very clear.

Mr. HAUGEN. Let me quote. It says here:

The stabilization corporation for any agricultural commodity may act as a marketing agency for its stockholders or members, and upon request to the advisory commodity committee for the commodity the board is authorized to make advances to the stabilization corporation for working capital to enable it to purchase, store, merchandise, or otherwise dispose of the commodity.

Mr. HASTINGS. From whom?

Mr. HAUGEN. To purchase wherever it sees fit.

Mr. BANKHEAD. Does that mean to purchase from members and nonmembers or only from stockholders?

Mr. HAUGEN. It states to purchase.

Mr. BANKHEAD. I am asking the construction of the chairman of the committee if he has any.

Mr. HAUGEN. It does not state any particular one. "Purchase" means that you can purchase from anybody that has it to sell.

Mr. KINCHELOE. Does not the chairman think that the stabilization corporation has the right to buy either from members or nonmembers?

Mr. HAUGEN. Yes.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. WINGO. Mr. Chairman, I offer the following amendment as a substitute for the Hastings amendment.

The Clerk read as follows:

Amendment offered by Mr. WINGO as a substitute for the amendment offered by Mr. HASTINGS: Page 12, line 1, after the word "purchase," strike out the comma and insert "and sell in the open market."

Mr. WINGO. Now, Mr. Chairman and members of the committee, if the House will give me its attention, if my amendment is adopted, the sentence on the top of page 12 will read:

For working capital to enable it to purchase and sell in the open market, store, merchandise, and otherwise dispose of the commodity.

That is what the gentleman from Kentucky says it means. I think the gentleman's contention is correct. This will state exactly what the gentleman from Kentucky says he has intended. Two members of the committee say it does not mean that. The others say it does. Take lines 21, 22, and 23 on page 11. Remember, this is a grant of authority to a corporation, and that corporation will have no authority except that which is expressly given or which goes by necessary implication from the grant. Lines 21, 22, and 23 authorize them to act as marketing agencies for their stockholders and members. That is followed by a comma, and not by a semicolon. That is a separate and distinct thing from what follows. If you had

a semicolon there instead of a comma it would be clearer; but as it is, the whole thing is a jumble. By putting in the words I have suggested on page 12 it would make it absolutely certain that they could purchase and sell in the open market. The cooperatives now have available financial assistance given them in three different acts of Congress. From \$5,000,000 to \$7,000,000 is now authorized. But when these organizations are failing, as they feel they are now, to control the surplus, then under this bill the stabilization corporation is set up, and to it the board says, "You go into the open market and take this surplus off that market." That is the very heart of the bill. My amendment is to say clearly and unequivocally what you say you intend.

Mr. BURTNESS. Would not this situation be clarified if you changed the comma on line 23 to a period and then started a new sentence? Then you would have each power set out in a separate sentence.

Mr. WINGO. Still those two things connect together. I think it should provide clearly and unequivocally that they could purchase and sell in the open market.

Mr. BRAND of Georgia. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Yes.

Mr. BRAND of Georgia. How have you that purchase and sell punctuated?

Mr. WINGO. I would strike out the comma and have nothing between "purchase and sell in the open market."

Mr. FORT. Mr. Chairman, I rise in opposition to the amendment. In the first place, the language just suggested by the gentleman from Arkansas [Mr. WINGO] would restrict rather than broaden the powers of the corporation, as it would be required to carry out all its operations in the open market.

Now, it is desirable, particularly in the case of cotton, as the testimony before our committee exhibited, that the organization buying or selling cotton should be permitted to deal directly with the trade. Therefore you do not want to limit the powers of this corporation to dealings exclusively with the open market.

Mr. WINGO. By putting in the language I suggest in connection with the express authorization on lines 21, 22, and 23 on page 11 you would not require them to deal exclusively with other than their members.

Mr. FORT. The gentleman is speaking of the marketing agency provision. That I was coming to. The provision relating to acting as a marketing agent has nothing to do with purchasing. The marketing agent acts only for the owner. One can not be owner and agent at the same time. The corporation is permitted to act as a marketing agency for its members who own the commodity.

The other provision is a permission to the board to make advances to the corporation for unqualified and unlimited purchase of the commodities. Not only is that clear, as it seems to me, in the language, but if there be any question involved as to the eventual interpretation of the statute, I would refer the gentleman to the first paragraph on page 7 of the report of the committee which specifically states—

To prevent these speculative and seasonal depressions, we propose to permit the cooperative associations to set up stabilization corporations to which the Government will advance funds greater than can be mustered by the adverse speculative or trade interests, to protect the farmer in the sale of his commodity. We are convinced that no speculator will continue to sell short in a declining market in the face of a powerful organization backed by the Government which intends to lift off the market, if necessary, enough wheat or cotton, for example, to prevent the price being driven below the real value of the product. Such an organization should prevent the most disastrous of the farmer's troubles in the past, namely, that often his largest crop has produced his smallest return.

Mr. WINGO. That is the report on the bill?

Mr. FORT. Yes. The report is the controlling standard in the construction of language in the courts.

Mr. WINGO. The Supreme Court of the United States only last year took an utterance of Senator Smoot, made on the floor of the Senate, in preference to a statement in the report made by the Committee on Mines and Mining of the House.

Mr. FORT. Every member of the committee and every Member of the House who has considered this bill agrees that that is the purpose we are after.

Mr. WINGO. No; two members of the committee differ from you.

Mr. FORT. There has been no dispute on the floor of the House about what we want this bill to do, and that is to permit an unrestricted right of purchase. No Member has taken the other view. Therefore, whether it be the view of the committee's report or whether it be the view of any Member on the floor who has spoken on this proposal, we are all unanimous

that it is intended by this language that this corporation shall have the unqualified and unlimited right of purchase.

Mr. BRAND of Georgia. Will the gentleman yield for a question for information, because I have great confidence in the gentleman's judgment about this?

Mr. FORT. Yes.

Mr. BRAND of Georgia. What does the expression "in open market" exclude?

Mr. FORT. It excludes transactions in private. It excludes the purchase from a cooperative association stockholder, I should say, by private trade.

The CHAIRMAN. The question is on the amendment offered as a substitute by the gentleman from Arkansas [Mr. WINGO] to the amendment offered by the gentleman from Oklahoma [Mr. HASTINGS].

The question was taken, and the substitute was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Oklahoma [Mr. HASTINGS].

Mr. HASTINGS. Mr. Chairman, may we have the amendment which I offered again reported?

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The amendment was again read by the Clerk.

The amendment was rejected.

Mr. LANKFORD of Georgia. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Georgia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LANKFORD of Georgia: Strike out all of lines 6 to 11, inclusive, on page 12, and insert in lieu thereof the following:

"(c) Any stabilization corporation receiving such advances shall exert every reasonable effort to avoid losses to the farmers from whom it purchases and to secure profits for them (1) by paying the farmers the full market value for their products at the time of purchase, plus any profit made on the resale of the commodity after making reasonable deductions for storage, interest, insurance, commission, and other proper resale charges; (2) by using all reasonable diligence and effort to prevent the depression of the market price of the commodity by any resale or disposal thereof; (3) by showing true faith and allegiance to the interest of the farmer by striving to maintain a fair market for his commodities at all times; and (4) by using every other fair and reasonable means in behalf of the producers of such commodity."

Mr. LANKFORD of Georgia. Mr. Chairman and members of the committee, you have just heard read the amendment which I am offering and I am sure that every friend of the farmer here must see the merit of my proposal.

In order for the real issue now involved to be clarified and made definite, I shall now read the part of the bill to which I lodge objections and which I wish to have stricken from the bill in order that the language proposed by me may be inserted and eventually become part of this measure.

The part of the bill which I am now seeking to have stricken reads as follows:

(c) Any stabilization corporation receiving such advances shall exert every reasonable effort to avoid losses and to secure profits, but it shall not withhold any commodity from the domestic market if the prices thereof have become unduly enhanced, resulting in distress to domestic consumers.

The farmers and the consumers have been plundered all these years and both are in perpetual distress. So it will be easy to prove at any time that the consumers are in distress. The speculators blame the farmers for all the distress of the consumers, and tell the consumers that the farmers cause all their afflictions, so it will be easy to prove to a probably biased board that the distress of the consumers is caused by the slight advance in price of the farmers' commodity.

The pending bill has many vicious provisions but, to my mind, none closely approach the one I am now attacking.

This provision urges the stabilization corporations to "exert every reasonable effort to avoid losses and to secure profits," and offers a plan for the wrecking of fair prices for farm products whenever such prices happen to occur and when this corporation, with almost unlimited money, power, and surplus products, desires to further gorge itself on unconscionable profits out of the very lifeblood of the men, women, and children of the farm.

How will the farmer be saved from the speculators by the creation of the greatest speculator of all times, with the greatest capital ever gotten together for the express purpose of making profits out of the farmers of the Nation, and with enough accumulated commodities, bought from the farmers at a sacrifice, to make or break the price of the commodity at will, when this



corporation's appetite for unconscionable profits is spurred on by the injunction from Congress to go forth and seek whom it may devour?

The proponents of this bill, by voting down my amendment and leaving the obnoxious language in the bill, tell this mighty corporate machine to use every reasonable effort to secure profits out of the farmers' products. And this is farm relief!

The urge is to use every reasonable effort to squeeze profits out of the farmers. This is what has always been done.

The chicken thief makes every reasonable effort to get a profit out of the farmers' chickens, if the thief is to be judge of what is to be considered as reasonable.

The pirates of olden days killed men, women, and children and stole their property in a reasonable effort, as they held in their own mind, to get a profit out of the other fellow's property.

All the gamblers who ever raised or lowered the price of farm commodities for the purpose of stealing the hard-earned cotton or other commodity of the farmer are filled with the belief that they are making a reasonable effort to make a profit out of the farmer's products.

It will be to the interest of the gigantic corporation to crush the farmers' prices when it wishes to buy, and when it has in hand all the commodity it thinks is necessary to carry forward its diabolical scheme of squeezing the farmers it can, by statement or act, lift the prices, sell all it wishes to sell at a profit, and leave in ill-gotten profits enough of the commodity on its hands to use in manipulating the market in the next selling season. It will be to the interest of this corporation to buy the farmers' products on false weights and grades. It will be to the interest of this corporation to collude and conspire with other speculators in order to get the farmers' products at a sacrifice.

This may be considered extreme, but it is a true picture of what may happen. Why not make it impossible by the adoption of my amendment?

The very fact that such a provision is included in the bill, together with the general plan of the sponsors of this bill to make a profit out of the farmers' products and not elevate his prices, coupled with the apparent purpose not only to vote down my amendment but all amendments which seek to protect the farming interest, convinces me that whatever is authorized will be attempted.

Mr. Chairman, honestly I can not see how anyone with one particle of sympathy for the farmers of this country can vote to retain the provision which I am fighting and to defeat my amendment. I try not to be unreasonable in the positions which I take here, but for the life of me I can not see how any man who is a friend of the producers of the Nation can oppose my amendment. It is so reasonable and just. Let me read it again. It pleads its own cause. Here it is:

(c) Any stabilization corporation receiving such advances shall exert every reasonable effort to avoid losses to the farmers from whom they purchase and to secure profits for them, (1) by paying the farmers the full market value for their products at the time of purchase, plus any profit made on the resale of the commodity after making reasonable deductions for storage, interest, insurance, commission, and other proper resale charges, (2) by using all reasonable diligence and effort to prevent the depression of the market price of the commodity by any resale or disposal thereof, (3) by showing true faith and allegiance to the interest of the farmer by striving to maintain a fair market for his commodities at all times, and (4) by using every other fair and reasonable means in behalf of the producers of such commodity.

There never was proposed to any farm relief bill an amendment with more merit. When I realize that my amendment is to meet the same defeat that has met all other worthy amendments to this bill, I wonder what has come over some of the friends of the farmer whom I have thought were loyal to the farmer all these years.

We have a so-called farm relief bill here which it seems is to pass without an amendment. I venture the assertion that this bill was not written by the House Committee on Agriculture as a whole. There was a subcommittee appointed, it is true, but I further am certain that certain middlemen's features of this bill were not originated by more than one of that subcommittee if the author of these provisions was even on the subcommittee.

I furthermore am reasonably certain that the middleman's provisions of this bill—and that includes most of the provisions—were not only written by only one man, but I am sure that that man is not a farmer, was not raised on a farm, and that he looks at the farmers' problems, not from the standpoint of the farmer, but from the standpoint of those who live off of the farmer. No other man would have ever written any such provisions.

No Member of Congress advocating every provision of this bill has attempted to explain in detail this bill. There have

been an abundance of glittering generalities but not a man has attempted a real explanation of this bill.

In spite of all its vicious provisions it may help the farmer temporarily. Like a dose of morphine it may make the farmer feel better for a little while, but like the effect of morphine, I fear it will not last long enough.

I hope that we may vote for the bill on the theory that it is slightly better than no bill at all.

I certainly hope that the Senate will pass a much better bill and that eventually this bill will be improved before it finally becomes the law, even if no amendments can be made here.

The farmers of the Nation are entitled to a better bill than we are considering to-day.

I have not lost all hope yet, and I trust that as the evils of this bill are emphasized by its operation that amendments will be made and that yet a real farm bill will be passed while a few farmers remain to receive its benefits.

Mr. Chairman and members of the committee, I am offering this amendment not because I have any hope that this committee will adopt this particular amendment. All amendments, excepting committee amendments, are being defeated. I am seeking to strike out a provision in the bill which, to my mind, indicates the purpose of the House committee to bring in and pass a bill which at best will only stabilize the price of farm commodities, regardless of whether the farmer gets a fair price or not. Profits are to be sought, but not for the individual farmer.

This bill not only provides for a stabilization corporation but it carries provisions which enable and authorize the stabilization corporations to make a profit out of the farmer's commodity.

I am anxious to secure the passage of some bill which will enable the stabilization corporation not to make a profit out of the farmer's product but to help the farmer get a better price for what he does produce.

One of the main duties of the stabilization corporation will be the securing of a large amount of the particular commodity as soon as possible. By being able to buy a large amount of the particular commodity, the stabilization corporation will be able to prevent further decline in the price, and if this stabilization corporation can go to the farmer and tell the farmer, "we purpose paying you the present market price for your commodity, and, furthermore, when we do sell it we will pay you such additional amount as is left after paying storage, interest, insurance, and other reasonable resale charges," then your stabilization corporation will be in position to offer a better price to the producer than is offered by other interests, and in this way, in a short time, it will obtain enough of the commodity to prevent a further decline.

Then, again, there should be a restriction in this bill which will prevent the stabilization corporation from endeavoring to make too large a profit out of the farmer's commodity. Let me again give expression to what is uppermost in my mind.

I shudder with horror when I think of a large corporation, with almost unlimited power and with unlimited funds, with a large amount of cotton or wheat or any other commodity on hand, when that corporation has as one of its duties and rights and prerogatives the instruction of the Congress to make as much as possible off of the farmer's commodity. This stabilization corporation can break the price and shove it down and down and down and then buy at a low price and then by giving out a statement shove the price back up and make a large profit out of it.

I realize, gentlemen of the committee, that you intend to pass this bill almost without crossing a "t" or dotting an "i" and that you will vote down this amendment, but let me tell you one thing: When this bill goes to the country and begins to operate, you will reconsider the amendment which you today vote down, and some day this House will write into this bill by way of amendment or in some other bill the provision which I am seeking to put in the bill now.

The farmers of the country want a farm relief measure which will not only stabilize prices but which will elevate prices for them. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. LANKFORD].

The amendment was rejected.

Mr. JONES of Texas. Mr. Chairman, I offer the following amendment. This is the so-called debenture plan and it follows literally the Senate provision; therefore I ask unanimous consent that it be considered as read, without actually reading it, and printed in the Record.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that the amendment he proposes be printed in the Record without reading.

Mr. CLARKE. Do I understand that this is the debenture plan?

Mr. JONES of Texas. Yes; and it follows literally the Senate plan.

The CHAIRMAN. Is there objection?

There was no objection.

The amendment is as follows:

Mr. JONES of Texas offers the following amendment: On page 12, after line 19, insert a new section, to read as follows:

"SEC. 7. (a) Whenever the board finds it advisable, in order to carry out the policy declared in section 1 with respect to any agricultural commodity, to issue export debentures with respect to such commodity, the board shall give notice of such finding to the Secretary of the Treasury. Upon the receipt of such notice it shall be the duty of the Secretary of the Treasury, commencing and terminating at such time as the board shall prescribe, to issue export debentures to any farmer, cooperative association, stabilization corporation, or other person with respect to such quantity of the commodity or any manufactured food product thereof as such person may from time to time export from the United States to any foreign country. The export debenture shall be in an amount to be computed under the direction of the Secretary of the Treasury, in accordance with such regulations as he may prescribe, at the debenture rate for the commodity or product that is in effect at the time of exportation. Any such computation shall be final.

"(b) In order to procure the issuance of an export debenture the farmer, cooperative association, stabilization corporation, or other person shall, in accordance with such regulations as the Secretary of the Treasury may prescribe, make application for such debenture and submit satisfactory proofs either (1) that the commodity to be exported was produced in the United States and has not previously been exported therefrom, or (2) that the commodity used in making the manufactured food product to be exported was produced in the United States and the agricultural commodity and the manufactured food product have not previously been exported therefrom.

"(c) An export debenture, when presented by the bearer thereof within one year from the date of issuance, shall be receivable at its face value by any collector of customs or deputy collector of customs, or other person authorized by law, or by regulation of the Secretary of the Treasury, to perform the duties of collector of customs, in payment of duties collectible against articles imported by the bearer. Title to any export debenture shall be transferable by delivery.

"(d) Debenture rates in effect at any time with respect to any agricultural commodity shall be one-half the rate of duty in effect at such time with respect to imports of such commodity, except that so long as no import duty is imposed on cotton the debenture rate thereon shall be 2 cents per pound. The debenture rate in effect at any time with respect to any manufactured food product of any agricultural commodity shall be an amount sufficient, as nearly as may be, to equal the debenture that would be issuable upon the exportation of the quantity of the agricultural commodity consumed in the manufacture of the exported manufactured food product, as prescribed and promulgated from time to time by the board.

"(e) Regulations requiring that metal tags or other appropriate markings be placed on all bales of cotton produced in foreign countries and allowed transit through the United States for exportation may be prescribed by the Secretary of the Treasury. Every person who violates any such regulation of the board shall be liable to a civil penalty of \$100 for each such offense. Such penalty may be recovered in a civil suit brought by the board in the name of the United States.

"(f) The Secretary of the Treasury shall prepare and issue all export debentures. Export debentures issued under authority of this act shall be obligations of the United States within the definition in section 147 of the act entitled 'An act to codify, revise, and amend the penal laws of the United States,' approved March 4, 1909, as amended (U. S. C., title 18, par. 261).

"(g) Any person who shall make any false statement for the purpose of fraudulently procuring, or shall attempt in any manner fraudulently to procure, the issuance or acceptance of any export debenture, whether for the benefit of such person or of any other person, shall be fined not more than \$2,000 or imprisoned not more than one year, or both.

"(h) As used in this section the term 'cotton' means staple cotton and cotton of any tenderable grade under the United States cotton futures act."

Mr. JONES of Texas. Mr. Chairman, at this late hour I do not care to discuss the merits of the proposition, but I would like for the gentleman if he proposes to make a point of order to do so, and I would like to be heard upon it.

Mr. WILLIAMS of Illinois. Mr. Chairman, I make the point of order that the amendment is not in order; that it is not germane to the paragraph or to the bill. The bill sets up a complete plan of farm relief, a plan that is complete in every detail. The amendment offered by the gentleman from Texas sets up another and distinct plan of relief which is not germane to the bill, and therefore I make the point of order.

The identical question has been decided by former Chairmen—in 1924 by Chairman Sanders and in 1928, on the Agri-

cultural bill, by the present occupant of the chair. It seems to me those decisions cover this precise question and that the amendment offered by the gentleman from Texas is clearly out of order.

Mr. JONES of Texas. Mr. Chairman, when a similar question was up in 1924 and a similar plan was offered to the old ratio price bill, the latter was a price fixing bill. It took the average price of farm products between 1905 and 1914 and provided in the bill that when the agricultural products got to those prices or below them the corporation that was provided for in the bill should buy all such products that might be purchased at that price.

Therefore it was a price fixing bill. Not only that, but it carried the equalization fee. That is the decision which the present Chairman used as a precedent for holding a similar bill out of order last year when it was offered to the equalization fee bill.

The equalization fee bill has been offered in numerous forms. Last year's bill provided such a fee as a specific method of securing the money from the parties themselves.

One of the reasons that the Chair gave for holding the debenture plan out of order was that the equalization fee contained the essential method of getting the money out of the producers of that commodity, while the proposal which I then offered took the money indirectly out of the Treasury.

I am quoting from the Chair's decision last year:

Under the Ketcham-Jones substitute it is proposed to pay the exporters out of the Federal Treasury, while in the Haugen bill it is proposed to raise the expense of administering the law out of the equalization fee.

Let us consider the pending plan. We lend the money to the stabilization corporation, and that corporation may buy the products of the producer. So that the present bill uses the same definition and method of procuring funds for administering the bill that the Chair said last year my bill utilized. Also the identical bill offered by the gentleman from Michigan [Mr. KETCHAM].

Now, coming down to the provisions of the pending bill, I want to note three places in the declaration of policy. The first paragraph in effect says that they endeavor by this bill to equalize the disparity between agriculture and industry. They state the desire that industry and agriculture shall be placed on a basis of economic equality. My amendment will do just that.

The debenture plan has been worked out by some men who were trying to restore to the producers of the surplus what is now taken from them under the tariff system in the form of increased prices which he must pay for what he buys. I do not know whether they succeeded perfectly, but their effort has been to restore to the producer of this surplus crop the disadvantage which they now have under the tariff system. In other words, the sole and exclusive purpose of the debenture plan is to see that industry and agriculture will be placed on a basis of economic equality with other industries.

In another part of the declared purposes of the bill it is provided:

to protect, control, and stabilize the current of interstate and foreign commerce in the marketing of agricultural commodities and their food products—

which is also applicable. In another place in the declared policy of the bill we find the language:

to prevent such surpluses from unduly depressing prices for the commodity.

It seems to me that the debenture plan comes within the all-covering provisions of all three of those statements. I could not write a better title for my amendment.

The Chair is familiar with the line of decisions that if a measure may not be in line with any particular paragraph, it may be offered as a separate paragraph where it is most nearly germane to the various propositions. I have offered this debenture plan as an additional power of the board following several other main powers. The line of decisions is practically universal that you can not add one specific power to another specific power, but that if you have two or more powers, in other words, if you have general powers, you may add an additional specific or general power. In that connection I call the Chair's attention to the citations under Rule XVI, subdivision 7:

A general subject may be amended by specific propositions of the same class. Thus, the following have been held to be germane: To a bill admitting several Territories into the Union, an amendment adding another Territory; to a bill providing for the construction of buildings in each of two cities, an amendment providing for similar buildings in several other cities; to a resolution embodying two distinct phases of



international relationship, an amendment embodying a third. But to a resolution authorizing a class of employees in the service of the House, an amendment providing for the employment of a specified individual was held not to be germane.

Again, the following:

To a bill providing for an interoceanic canal by one route, an amendment providing for a different route.

That decision is found in *Hinds' Precedents*, Volume V, section 5909. In this decision there was a provision that stipulated that an interoceanic canal should be constructed. In the general bill a specific route was provided for. Some one offered as a substitute that another route be taken, and the point of order was made by Mr. Underwood, of Alabama. The Chair in ruling says:

The Chair is of the opinion that that is the purpose of the legislation sought; that the question of the location is wholly a subordinate one, and that it is perfectly competent for Congress to reject one location and to adopt another. For instance, suppose it was a question of the building of a house for the purpose of storing the records of the Government, and a bill was introduced to locate it on a certain square in this city. Can anybody doubt that the proposition might be amended so as to locate it upon another square?

Mr. Chairman, here are some seven or eight powers which this board has been given in the bill. It has been stated, it has been repeated, that it is the purpose of this measure to clothe the board with broad powers, that the board may have power to handle the commodity so as to relieve the situation presented by the farm problem which has been puzzling those who have had to deal with it for several years. The general purpose is farm relief. The general intention of this bill is to provide for a relief of this situation. In order to reach that end they establish a farm board. That board is given a number of enumerated powers. I simply seek to give that board additional power and in line with the general purposes of the bill and altogether in line with the declaration of policy in the bill set out in the first paragraph.

The purpose of the rules of the House are to enable it to do business, to enable it in an orderly way to do what it wants to, not to keep it from doing so. This amendment is strictly in line with the declared purposes of the bill. It will not take anything from the bill; but will make this a real measure of farm relief.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. JONES of Texas. Yes.

Mr. DENISON. Yesterday the gentleman from Missouri [Mr. CANNON] offered the equalization-fee plan as an amendment, just as the gentleman from Texas is to-day offering the debenture plan. Does the gentleman think, under the same reasoning, that the amendment offered by the gentleman from Missouri was germane?

Mr. JONES of Texas. I do not think so under the decision of the Chair last year, because last year the Chair held that the debenture plan was entirely different from the equalization fee, and they have deserted the equalization-fee plan in this bill and have gone back to the same source for the money the debenture plan had. The debenture plan does not take the money out of the Treasury, but it traps the money before it gets to the Treasury, and the effect is the same as though it took it out up to the limit of the tariff schedules. The equalization-fee proposition collected the money from private persons producing the commodity, and the reason it was ruled out in the decision of last year was because it did, and my plan, so the Chair stated, went to the Treasury. In this particular plan you also go to the Treasury. You take the money out of the Treasury to the maximum extent of \$500,000,000 and loan it to the corporations to handle these products, and the Government loses if they lose. So it takes the money out of the Treasury in that sense.

Mr. SNELL. Mr. Chairman, I desire to be heard briefly on this point of order. Under clause 7 of Rule XVI it states that—

No motion or proposition on a subject different from that under consideration shall be admitted under cover of amendment.

We have before us at this time presented by the Agricultural Committee a bill which has for its express purpose improving agricultural conditions by a special and distinct method of promoting and making more efficient the cooperative marketing associations of the country. While there is a general purpose stated in the first section of the bill, as there is in most all bills, the real heart of the bill goes to the separate and distinct plan by which the Agricultural Committee intends to accomplish these results. To that bill the gentleman from Texas [Mr. JONES] has offered an amendment rather in the form of a substitute, which intends and provides for improving the condi-

tions in agriculture by providing for the issuance of export debentures upon the exportation of such commodities. The two ways proposed to accomplish the result are entirely distinct and start out in opposite directions. For instance, individually I think that you could improve agricultural conditions by improving the internal waterways of the country, and especially by improvement of the St. Lawrence River. I could introduce a bill and make some general statement in the first section and provide to accomplish that by improvement of the St. Lawrence River, but no man in this House would have the temerity to stand up and state that it would be germane to the proposition under consideration. Another man may consider that the best way to accomplish this result would be by a revision of the tariff, and if the gentleman's amendment were in order—and you can add new methods to the one contained in the bill—it would be in order to present here an entire revision of the tariff schedules for the purpose of accomplishing that result.

Of course, no one would ever contend that that would be possible. There is an elementary principle in parliamentary procedure that merely because amendments seek to accomplish the same result as the bill under consideration they are not necessarily germane to the bill. The question of the germaneness has to be considered very carefully, for the simple reason that it is necessary to keep out propositions that have not been carefully considered before by the committee, and not allow the House to pass snap judgment on entirely new matter.

I believe the first time this proposition came up was in 1924, when we were considering the equalization fee, and an amendment similar to this was offered, and Chairman Sanders, of Indiana, in a very exhaustive ruling, sustained the point of order. I want to call the attention of the House to just one or two of the principal decisions he referred to at that time. I read:

To a bill undertaking to raise the price of agricultural products to a ratio consistent with the price of other commodities, an amendment seeking to relieve agriculture by a different plan, i. e., by a comprehensive system of cooperative marketing, was held not germane, although one of the incidental features of the pending bill dealt with cooperative marketing.

To a bill undertaking to raise the price of agricultural products by the creation of a corporation to buy and sell agricultural products outright, an amendment proposing to give a bounty to agricultural exporters, in lieu of the plan proposed in the bill was held not germane.

To a bill undertaking to raise the price of agricultural products by the creation of a corporation to buy and sell such products based strictly on a declared emergency and to exist for the period of five years only, an amendment proposing permanent legislation to create a corporation to buy and sell such products in order to pay a greater amount to the producer and to sell such products cheaper to the consumer by eliminating so-called middle men, was held not germane. (Chairman Sanders, of Indiana, May 24, 1924; 68-1, pp. 9627, etc.)

As a matter of fact, the first of these precedents is exactly the situation that we have here to-day, only it is turned around. We have a cooperative marketing system offered, and they are trying to amend it by practically the same proposition as was under consideration at that time. In all the precedents I have been able to examine I have never found one where an entirely new proposition was admitted in the form of an amendment. It has always been held very strictly that where you were considering a distinct measure, such as that to-day, another one, even if attempted to accomplish the same result, would not necessarily be germane. There is absolutely no doubt about it in my mind. I trust the Chair will sustain the point of order.

Mr. DENISON. Mr. Chairman, I rise in opposition to the contention of the gentleman from Texas [Mr. JONES].

One of the plans for aiding agriculture that has been advanced by some Members during this discussion, and by the President as well, has been the development of our inland waterways and the transportation facilities on them. I think and many others think that that is one of the most effective benefits that could be conferred upon agriculture. But if the contention of the gentleman from Texas is sound, I could offer an amendment giving the board power and authority to expend money for increasing the facilities of the inland waterways corporation and further develop the inland waters themselves. That would be an additional remedy and an additional power conferred upon this board, and, if the reasoning of my friend from Texas is sound, I could offer that amendment and it would be germane. But I think it would not be germane, and I do not think the reasoning of the gentleman from Texas is good.

Mr. JONES of Texas. The gentleman from Illinois surely does not contend that the waterway question is in any way or in any respect similar to the marketing proposition. It is a question of transportation that is set out here.

Mr. DENISON. The development of our inland waterways and the affording to agriculture of cheaper transportation thereby is one of the substantial ways of helping the farmers of the country, and if the board created by this bill should be given that power it would very materially be to the advantage of agriculture. But I do not think such an amendment would be germane to the bill under consideration. It is clear to me that the amendment offered by the gentleman from Texas is not germane and is subject to the point of order.

The CHAIRMAN. The Chair is ready to rule and will endeavor to be brief.

The practice and the rule as to germaneness, so far as this farm legislation is concerned, are pretty well fixed by the rulings that have been made during the consideration of the legislation at different times during the last few years. The gentleman from Texas [Mr. JONES] says that the general purpose of his amendment is the same as the general purpose of the bill before the committee; that is, farm relief. But the Chair thinks that that is not enough to make the amendment germane. It is not enough to make the amendment germane to show that it seeks to accomplish the same purpose as the legislation pending before the committee if the method employed to accomplish that purpose is entirely different. The rule has been often stated to be that if an amendment proposes such modification of the bill that it could not reasonably have been anticipated or can not be said to be a logical sequence of the matter contained in the bill, or is not such a modification as would naturally suggest itself to the legislative body considering the bill, then it is not germane.

The Chair has read, in substance, from a decision rendered by a former chairman of the committee, Mr. Fitzgerald, of New York, who was one of the best parliamentarians in the House. I do not think that anyone would seriously contend that the amendment offered by the gentleman from Texas comes within the rule as stated in that decision by Mr. Fitzgerald.

As has been said, the pioneer in this legislation was the gentleman from Indiana, Mr. Sanders, who was chairman of the Committee of the Whole during the consideration of the original or first McNary-Haugen bill. He announced several principles during the consideration of that first bill, which have served as guides during the consideration of the other bills.

The parliamentarian in his notes has made a digest of some of the rulings made at that time which I would like to read:

Simply because an amendment seeks to solve the same problem as that sought to be solved by the pending bill does not make the amendment germane.

The purpose of the rule of germaneness is to prevent the consideration of legislation which has not been considered in committee, and therefore the rule may be applied more strictly to a long amendment by way of a substitute for the entire bill under consideration.

To a bill undertaking to raise the price of agricultural products to a ratio consistent with the price of other commodities, an amendment seeking to relieve agriculture by a different plan—that is, by a comprehensive system of cooperative marketing—was held not germane, although one of the incidental features of the pending bill dealt with cooperative marketing.

The substance of what I have read has been incorporated in the Cannon Supplement to Hinds' Precedents, section 9777.

In addition to announcing the general principles which I have read, this precise question was passed upon by Chairman Sanders in an amendment offered by the gentleman from Illinois [Mr. HENRY T. RAINEY] to the bill then under consideration. As the gentleman from Texas has said, the legislation differed somewhat in form, but the Chair thinks it did not differ in substance.

The question came up again one year ago, and the Chairman at that time, following the precedent of 1924, sustained the point of order and declared the debenture plan not germane to that bill.

The gentleman from Texas says that the fund to be administered by the Federal farm board in the pending bill comes out of the Treasury and that the money to be paid to the exporters under the debenture plan also comes out of the Treasury, which is quite true, but the benefit which the farmer will receive under the pending bill is an indirect benefit. The debenture plan provides for a direct payment out of the Treasury to exporters, and is in effect if not in fact a direct subsidy to the exporters.

The debenture plan would only benefit those who export surpluses, and it has been repeatedly stated by different members of the committee during the consideration of this bill under general debate that this bill does not attempt to deal with the surplus; some say not at all, but certainly it deals with it only incidentally.

There are a great many legislative proposals to relieve or aid the agricultural situation which are not germane to the pending bill. The Chair thinks that this debenture plan is one of them.

The Chair appreciates the earnestness with which the gentleman from Texas advocates the debenture plan, but he feels that both on principle and under the precedents the amendment is not germane to the legislation under consideration, and therefore sustains the point of order.

Mr. LUCE and Mr. HASTINGS rose.

Mr. LUCE. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. I may say to the gentleman from Massachusetts that the amendment offered by the gentleman from Texas was to add a new section and there is now nothing pending before the committee until the Clerk reads the next section.

Mr. HASTINGS. Mr. Chairman, I want to offer an amendment to the section that has been under consideration, and I do not understand that we have left that section.

Mr. HAUGEN. My understanding was that debate had been foreclosed on the section, but if not, I would ask unanimous consent that all debate on the section and all amendments thereto close in 10 minutes.

The CHAIRMAN. The Chair thinks the parliamentary situation is this: Although the amendment of the gentleman from Texas was not read, it was offered in the shape of a new section. We passed section 6, and while we can still debate it by unanimous consent, if anyone makes a point of order we would have to go to the next section.

Mr. HASTINGS. Mr. Chairman, I did not understand that, and I am going to ask unanimous consent to offer the amendment. I will only take about two minutes, and I presume the amendment will be voted down, but I want to make the RECORD clear on it.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to offer an amendment to section 6. Is there objection?

Mr. CLARKE of New York. The farmers are demanding relief, and I object. [Laughter.]

Mr. HASTINGS. Does the Chair rule that we have passed section 6 and that an amendment can not be offered to that section?

Mr. BURTNESSE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BURTNESSE. Do I understand that it is the contention of the Chair that after a certain section is read, if some one offers an amendment to that section in the nature of a new section, that that in turn prohibits the offering of amendments to the last section read even though not a single word has been read of the subsequent section?

The CHAIRMAN. The amendment was not offered in the nature of a substitute to the section, but as a new section following the section which had been read. The parliamentary situation thus created required those who desired to amend the section to offer their amendments and have them voted on before the amendment proposing a new section was disposed of.

Mr. BURTNESSE. Then, may I propound another inquiry? So the situation under that ruling of the Chair would amount to this: If anyone obtains recognition and offers an amendment in the nature of a new section, that action entirely prohibits or forecloses the offering of further amendments except as perfecting amendments.

I have no interest in the amendment to be offered by the gentleman from Oklahoma [Mr. HASTINGS], but simply in the parliamentary situation and the preservation of proper rules of conduct, and I want to call the attention of the Chair to the fact that the amendment offered by the gentleman from Texas [Mr. JONES] has not been passed upon and has not been debated. It was subjected to a point of order, which was made just as soon as a point of order could be made, and the situation now, it seems to me, is exactly identical with what it was before the amendment was offered, and let us assume for the purpose of illustration—

Mr. CLARKE of New York. Mr. Chairman, I demand the regular order.

Mr. BURTNESSE (continuing). That the amendment had been declared in order, surely it would have been possible for another to offer some amendment to the original section, either by way of perfecting amendment or otherwise, so as to get in ahead of it. I appeal to the Chair to change his ruling and hold the Hastings amendment is entitled to be offered.

Mr. HASTINGS. Mr. Chairman, I thought that was an additional subdivision or paragraph that the gentleman from Texas offered to section 6, and I did not know that his amendment was offered as a new section. I do not think any Mem-



ber of the House understood it to be a new section. I thought it was simply a new paragraph to section 6.

The CHAIRMAN. The Chair is ready to rule.

The Chair has before him a precedent exactly in point in so far as the amendment is concerned, if it had been adopted or rejected, made by Chairman STAFFORD on April 22, 1921, in which it is stated:

A section of the bill under consideration is considered passed for the purpose of debate and the offering of amendments to that section after an amendment in the form of a new section has been considered.

The Chair thinks that that ruling would be controlling if action had been taken upon the amendment of the gentleman from Texas, but the Chair is inclined to agree with the gentleman from North Dakota [Mr. BURNETT] that inasmuch as a point of order was raised against the amendment and no vote was had upon it, that the situation presented here is somewhat different, and the Chair will therefore recognize the gentleman from Oklahoma to offer his amendment.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on this section and all amendments thereto close in five minutes. Is there objection?

There was no objection.

Mr. HASTINGS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 12, line 19, after the word "corporation," insert the following new paragraph:

"(e) The board is authorized, upon the application of the stabilization corporations and of the advisory committee for the commodity, to enter into agreements subject to the conditions hereinafter specified for the insurance of the stabilization corporations against loss through price decline in the agricultural commodity handled by the corporations. Such agreements shall be entered into only if, in the opinion of the board, (1) coverage is not available from private agencies at reasonable rates, (2) the insurance will be in furtherance of the policy declared in section 1, and (3) the agricultural commodity is regularly traded in upon an exchange in sufficient volume to establish a recognized basic price for the market grades of the commodity and such exchange has accurate price records for the commodity covering a period of years of sufficient length to serve as a basis to calculate the risk and fix the premium for the insurance. The agreements shall require payment of premiums so fixed and shall include such other terms as the board deems necessary. Moneys in the revolving fund may be advanced to meet obligations under any such insurance agreement but shall, as soon as practicable, be repaid from the proceeds of insurance premiums."

Mr. HASTINGS. Mr. Chairman and gentlemen of the committee, I do not want to take over two minutes. This simply transfers and makes effective the insurance plan in exactly the same language as found in section 5 with reference to cooperative associations, and makes it applicable to stabilization corporations.

In my judgment, if the cooperative associations are permitted to insure the products of their members against price decline, the same reason would apply to stabilization corporations.

In the bill we passed last year Members will remember that such an insurance provision was made so that the board could insure against price decline, and in this bill the stabilization corporation takes the place of the board that was provided for in the McNary-Haugen bill of last year.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken, and the amendment was rejected.

Mr. HASTINGS. Mr. Chairman, I have one more amendment which I will offer but do not care to discuss.

The Clerk read as follows:

Page 12, line 5, after the word "prescribe," insert the words "not to exceed 4 per cent."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

The Clerk read as follows:

Sec. 7. The board shall, in cooperation with any governmental establishment in the executive branch of the Government, including any field service thereof at home or abroad, avail itself of the information, data, services, and facilities thereof in order to avoid preventable expense or duplication of effort. The President may by Executive order direct any such governmental establishment to furnish the board such information and data as such governmental establishment may have pertaining to the functions of the board and as

the board may request. Notwithstanding the foregoing provisions the board shall not be furnished by any governmental establishment with any information or data supplied by any person in confidence to the governmental establishment in pursuance of any provision of law or of any agreement with the governmental establishment. The board may cooperate with any State or Territory, or department, agency, or political subdivision thereof, or with any person.

Mr. LUCE. Mr. Chairman, I move to strike out the last word. The gentleman from Kentucky a few minutes ago usefully took the floor in order that the report of the debate might contain the interpretation put upon one feature of the bill by the committee. The gentleman from New Jersey a few moments later took the floor usefully for the same purpose. I am hoping to accomplish a purpose of like utility by asking a question of the committee. It is one I think will interest every lawyer in the Chamber.

Seven years ago we saw fit to pass an act (Public Law 146, 67th Cong.) authorizing the forming of associations of producers of agricultural products—what are known as cooperative associations. That act provided a method of enforcing the provision that they should not raise prices unduly. The Secretary of Agriculture was given the power to enforce the provision.

To-day we are creating a new form of corporation, likewise directed not to raise prices unduly, but without any machinery for giving effect to that direction. This new corporation is to be one of which the stock is held wholly by cooperative associations.

Now, the interesting question from the legal point of view is whether cooperative associations may in effect be taken out from under the enforcing provisions of the original law by becoming stockholders in the new corporation.

I am told it was the intent of the committee not to have any element of price fixing in this bill. I am not disposed to quarrel with that. I am raising this legal question, Will the machinery provided by law for enforcing the direction that a cooperative association shall not raise prices unduly, apply in case of the stabilizing corporation now to supplement the original association, as a consequence of the provision that all the stock in the new corporation shall be held by the original association? In fields of finance we are greatly perplexed these days by the creation of holding companies and are wondering how far these holding companies may get out from under the control of the public-service commissions. I wish the committee would put clearly on record its intention in this matter in order that the public and the courts, particularly the courts, may know whether it is the intention of the committee that cooperative associations when working in the guise of stockholders of stabilization corporations shall no longer be subject to the special provisions in question, meant to restrain monopolies and prevent the undue raising of prices. I invite an answer from some gentleman of the committee that the RECORD may show what the committee intended.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield?

Mr. LUCE. Yes.

Mr. KINCHELOE. It was not the intention of the committee at all to take the cooperative marketing association out of the provisions of the Capper-Volstead Act. This bill has nothing in the world to do with cooperative associations, to change them in any way, or to change that law in any way in the organization of cooperative associations or in the operation of cooperative associations, except to finance them. It does give cooperative associations the right to get together and establish a stabilization corporation, which is established for two purposes; first, to act as an agency to help market the products of the cooperative, or to borrow money for the purpose of buying on the market at depressed times to stimulate the price. Therefore this bill does not touch the cooperatives at all. It does not repeal one word of the Volstead-Capper Act. They are still under that law and will operate under that law.

Mr. LUCE. That I understand, and to that I agree.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. LUCE. Will the gentleman take five minutes in order to answer me on that question?

Mr. KINCHELOE. I think it is important, and I rise in opposition to the amendment.

Mr. LUCE. Mr. Chairman, will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. LUCE. The gentleman does not quite follow me. He and I agree that the law relating to cooperative associations is not changed. What I am after is to know whether in the guise of the stabilizing corporation, which is a cooperative association in another form under another name, it is the duty of the Secretary to see that prices are not unduly enhanced, or

whether by this law opportunity is given for the cooperative associations to get from under the Capper-Volstead Act and escape the control.

Mr. KINCHELOE. I did not quite finish. In the creation of these stabilization corporations one of the penalties will be, if they do unduly enhance the price, to withdraw the loans, and, second, I think if they go on and undertake to create a monopoly they will be subject to prosecution under the Sherman antitrust law.

Mr. LUCE. I am thankful for the clear answer of the gentleman, and yet I do not know that we have yet quite distinctly on record whether or not the law relating to cooperative associations continues to apply to them after their form has been changed into that of stabilizing corporations.

Mr. KINCHELOE. This will continue to apply to them, and their appearance as cooperatives will not change at all. It will be a confederation of cooperative associations for the purpose of establishing stabilization corporations, and, as I say, in my judgment if they unduly enhance the price they not only will be punished by the withholding of loans but I think they can be punished under the Sherman antitrust law.

Mr. FORT. Mr. Chairman, will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. FORT. There is nothing in the bill, as I understand the reading, by which the cooperative which is a stockholder in the stabilization corporation, is anything more than it would be if it were an investor of a different type.

Mr. KINCHELOE. None at all.

Mr. FORT. It simply becomes a stockholder and gains no right and loses none through owning that stock.

Mr. KINCHELOE. It is simply a stockholder in another corporation.

Mr. LUCE. Does not the gentleman from New Jersey now become inconsistent with part of what the gentleman from Kentucky has said in answer to my question? Perhaps the gentleman from New Jersey will answer it if put more concretely. Is it to be the duty of the Secretary of Agriculture to follow the corpus of this institution into its new form and enforce the law against undue restraint of trade?

Mr. FORT. As a cooperative association, yes; but there is nothing in the Capper-Volstead Act that gives the Secretary of Agriculture any power over stock corporations for profit.

Mr. LUCE. How will the Secretary of Agriculture proceed if one of these stabilizing corporations raises its prices unduly?

Mr. FORT. Exactly as he would proceed under the Capper-Volstead Act against the cooperative associations.

Mr. LUCE. And can he reach the stabilizing corporation in that way?

Mr. FORT. I do not think this act confers on him any power over the stabilization corporation.

Mr. LUCE. Will anybody have any power over the stabilizing corporation?

Mr. FORT. The board and the courts.

Mr. LUCE. How will the courts get to it?

Mr. FORT. Under the Sherman law.

Mr. LUCE. We have it, then, of record that, in the judgment of the committee, the Sherman law applies to the new corporations created by this bill?

Mr. FORT. If it attempts to unduly enhance prices to the distress of the consumer, yes.

Mr. LUCE. That is what I desired to make a matter of record.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

SEC. 8. (a) For expenditures in executing the functions vested in the board by this act (including salaries and expenses of members, officers, and employees of the board and per diem compensation and expenses of the commodity committees) incurred prior to July 1, 1930, there is hereby authorized to be appropriated the sum of \$1,500,000. No part of the moneys appropriated in pursuance of this authorization shall be available for expenditures, including loans and advances, for the payment of which the revolving fund or insurance moneys are authorized to be used.

(b) As used in this act, the term "cooperative association" means any association qualified under the act entitled "An act to authorize the association of producers of agricultural products," approved February 18, 1922. Whenever in the judgment of the board the producers of any agricultural commodity are not organized into cooperative associations so extensively as to render such cooperative associations representative of the commodity, then the privileges, assistance, and authority available under this act to cooperative associations shall also be available to other associations and corporations producer-owned and producer-controlled and organized for and actually engaged in the marketing of the agricultural commodity. No such association or corporation shall be

held to be producer-owned and producer-controlled unless owned and controlled by cooperative associations as above defined and/or by individuals engaged as original producers of the agricultural commodity.

(c) It shall be unlawful for any member, officer, or employee of the board to speculate, directly or indirectly, in any agricultural commodity or product thereof, or in contracts relating thereto, or in the stock or membership interests of any association or corporation engaged in handling, processing, or disposing of any such commodity or product. Any person violating this subdivision shall upon conviction thereof be fined not more than \$10,000, or imprisoned not more than 10 years, or both.

(d) It shall be unlawful (1) for any cooperative association, stabilization corporation, clearing-house association, or commodity committee, or (2) for any director, officer, employee, or member or person acting on behalf of any such association, corporation, or committee, to which or to whom information has been imparted in confidence by the board, to disclose such information in violation of any regulation of the board. Any such association, corporation, or committee, or director, officer, employee, or member thereof, violating this subdivision, shall be fined not more than \$10,000, or imprisoned not more than 10 years, or both.

Mr. YON. Mr. Chairman, ladies and gentlemen of the committee, I had not intended at the beginning of this discussion to make any remarks, but only to vote for the Federal farm board bill, even though I do not agree with all of its provisions.

As I am pledged to support any farm-relief measure, and as I take it for granted this is the only measure that has a chance of becoming a law, I am going to vote for it because it is intended for and in behalf of the toiling masses of America who plant their crops and through the growing season they till, and at harvest time they garner and offer to the world something that men, women, and children may have to eat, wear, and use; and in doing this they have no assurance for all these days and months of toil what this toil will mean to them—whether or not they can give their families the advantages offered in other vocations available to others of our population.

I do not care how careful a business they try to run, they have nothing on which they can base a budget. Why? They know not what their labor will return to them or whether the reward will be profit or that additional debt will be added to what they have already contracted.

I realize that it is a great problem to solve. I am none the worse off than many of my colleagues. I have studied this problem many years, as I was in a position to study it from the vocation in which I was engaged for 21 years—that of traveling salesman.

My conclusions, arrived at after all these years, is that a means should be arrived at to first discourage the growing of surplus crops; but how are you going to prevent that when all of the elemental conditions that are contended with are evident? After all of these are overcome and a surplus is produced, then what of it? Some means should be made to take it off the market for a lean year in the basic crop group especially; for, as you who are familiar with the condition of the 1926 crop of cotton know, that a crop of 18,000,000 bales was ginned—3,000,000 bales surplus or above the average—and the price broke in half; or a surplus of 3,000,000 bales created a condition that, if the law of supply and demand were to have controlled, 3,000,000 bales were equal to 15,000,000, for the price broke in half.

What happened on the basis of the 1927 crop of twelve and one-half million bales? Even with the 3,000,000 bales surplus of the year before, the crop price rebounded to more than double that of 1926 crop price.

I use this as an example. I was in favor of the McNary-Haugen farm bill. Why? Because it provided a means and money to take care of surpluses in basic crops that form the bulk of American agriculture.

Of course, I know there are good features in the present bill under consideration. I recognized many years ago that the farmers of the country lacked organization, and I said in campaign speeches in 1926, that:

I have been thrown in close contact with the common masses, the tillers of the soil. I know what your work means to society, what your welfare means to the economic condition as a whole. I will strive to do everything I can to make your dollar worth as much as the manufacturer's, banker's, or capitalist's dollar. You are entitled to the same consideration as the manufacturer when it comes to tariff-making and when it comes to combinations of trade; and I will do everything in my power to give as great an opportunity to the farmer as that enjoyed by other classes of our population. I will give my support and aid to any law creating a more cooperative effort among farmers in marketing their products. I do not believe the farmer should be compelled any more to go to town with his bale of cotton, rip open the side and obtain a sample and walk up and down the street asking the cotton buyer or the merchant or whomever he should be, what he would give for that cotton to-day, than it should be for me, as a shoe salesman, to go to a town or the various towns that I travel



through and take out a sample of my shoes and go down the street and ask Mr. Merchant what he would give me for the same.

The manufacturer and wholesale marketing interests do not have to resort to such methods to sell, and as farmers you should not have to do so either. Cooperation and organized effort among the great farming interests of this Nation would eliminate this practice. The cotton, sirup, tobacco, peanut, and other interested farmers ought to be able to raise their crops, have cooperative selling agencies, have each crop regulated as much as possible as to cost of production, and demand a reasonable profit on the cost of production and sell for a profit, not using a haphazard method of marketing as is the current practice.

So you see I have recognized the need of organization and the need of cooperative effort, even before I came to Congress, and in further connection with the cooperative features of this bill I want especially to ask the committee, in order to get in the RECORD the committee's construction of this law, if there will be a chance for this board to take up the consideration of granting relief or helping to market certain lines of products that are the production of a set of producers who are producing a raw material. It is a kind of farming that most of our Members are not acquainted with; and that is the farming of pine trees for turpentine and rosin. In my district, the third Florida, and in the Southland, in what is known as the yellow or long-leaf pine belt, there are many operators producing some \$30,000,000 or \$40,000,000 worth of rosin and turpentine. There are nearly 1,500 of them organized in turpentine producers' associations. I had intended to offer an amendment at the end of paragraph (b), line 16, page 14, but recognize how all amendments have been rejected, therefore I will not ask you to consider an amendment to specifically add turpentine and rosin, but I hope some benefit will be derived to this class of production under the operation of this law, and to get an expression from the committee I would like to ask the ranking member of the Committee on Agriculture on the Democratic side, who comes from the pine belt, what he thinks of that.

Mr. ASWELL. In my opinion the board has full authority to admit the turpentine and rosin people as cooperatives under this bill.

Mr. YON. I thank the gentleman.

Now, as to another means of farm relief, the tariff, I can not figure out any great benefit to general agriculture from any devised or proposed tariff legislation, for until the exportable surplus is taken care of there will be no opportunity for the effectiveness of a tariff's operation. Of course, there are certain minor crops, limited in their area, and production that will or can be taken care of, such as certain grades of tobacco, peanuts, dairy products, sugar, and many others, as I have said, of limited production, and these I hope will be aided by any revision of the tariff.

There is one thing certain—we can not go much farther with our present economic situation confronting us, with millions of our population going into a speculative orgy, boosting stocks of corporations to dizzy heights far above any possible value of a return of the lowest interest on the investment, and most all of these investments are dependent upon the basic materials as produced by the toiling masses on the farms of America.

Ladies and gentlemen, America can not keep going on with nearly one-half of its people becoming more impoverished and the other half growing more prosperous. This can not be. A lopsided economic life can not last.

Ladies and gentlemen, I hope great good will come of this legislation. Let us all hope so.

Mr. ALLGOOD. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Amendment offered by Mr. ALLGOOD: Page 14, line 2, after the figures "1922," strike out the period and add the following language: "but the provision in said act 'that the association shall not deal in the products of nonmembers to an amount greater in value than such as are handled by it for members' shall not apply."

Mr. ALLGOOD. Mr. Chairman, this is in the language of section 3 of the Capper-Volstead Act, and as amended by me it provides that cooperatives can buy from nonmembers so as to control enough of the commodity to regulate the market.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Alabama.

The amendment was rejected.

Mr. DOUGLAS of Arizona rose.

The CHAIRMAN. The gentleman from Arizona is recognized.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that debate on this section and all amendments thereto be limited to five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. DOUGLAS of Arizona. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Arizona.

The Clerk read as follows:

Amendment offered by Mr. DOUGLAS of Arizona: Page 13, after line 23, after the word "used," insert new paragraph, as follows:

"The board is hereby authorized to investigate the feasibility of growing new agricultural crops, which will tend to ameliorate overproduction of staple crops in the continental United States by diverting to new or noncompetitive crops land now devoted, or likely to be devoted, to production of crops suffering from overproduction.

"For these purposes, in addition to all other authorizations in this act, there is authorized to be appropriated from any money in the Treasury not otherwise appropriated the sum of \$250,000 for the fiscal year 1930, and there is authorized to be appropriated annually thereafter such sums as may be necessary for the effective development of these activities."

Mr. DOUGLAS of Arizona. Mr. Chairman and members of the committee, the machinery set up in the bill now under consideration is for the general purpose of marketing agricultural crops and disposing of surpluses. There are general powers granted to the board under the terms of the act, among which there may be the power designated in the amendment which has been read. If such power is delegated to the board under the act, it is obviously foolish to repeat any such power, and therefore I would like to ask if I may, the gentleman from Illinois [Mr. WILLIAMS] or the chairman of the committee whether or not the powers referred to and granted in the amendment that has just been read are, in the intention of the chairman of the committee and the gentleman from Illinois and the other members of the Committee on Agriculture, now in the bill, either by implication or by explication?

Mr. WILLIAMS of Illinois. Mr. Chairman, if the gentleman will look at section 4, page 6, the gentleman will find the things that the board is authorized and directed to do, and I think the gentleman will find that we have there covered the things he seeks to have done by his amendment.

This section contains directions to the board to do certain things, as follows:

(4) To investigate conditions of overproduction of agricultural commodities and advise as to the prevention of such overproduction; and (5) to make investigations and reports and publish the same, including investigations and reports upon the following: Land utilization for agricultural purposes; reduction of the acreage of unprofitable marginal lands in cultivation; the economic need for reclamation and irrigation projects; methods of expanding markets at home and abroad for agricultural commodities and food products thereof; methods of developing by-products of and new uses for agricultural commodities; and transportation conditions and their effect upon the marketing of agricultural commodities.

It seems to me that in this section directing the board to do certain things the very purpose of the gentleman's amendment is fully covered; at least, that is the opinion of the committee, I am quite sure.

Mr. DOUGLAS of Arizona. And, further, is it the intent of the committee that the purposes which are sought under the terms of this amendment be, as a matter of fact, included among the general, broad powers of the board?

Mr. WILLIAMS of Illinois. Oh, unquestionably so.

Mr. DOUGLAS of Arizona. And may I ask the same question of the chairman of the committee?

Mr. HAUGEN. I agree with the statement of the gentleman from Illinois.

Mr. DOUGLAS of Arizona. Mr. Chairman, I ask unanimous consent that I may withdraw the amendment.

The CHAIRMAN. Without objection, the amendment will be withdrawn.

There was no objection.

The Clerk read as follows:

SEC. 9. The President is authorized, by Executive order, to transfer to or retransfer from the jurisdiction and control of the board the whole or any part of any office, bureau, service, division, commission, or board in the executive branch of the Government engaged in scientific or extension work, or the furnishing of services, with respect to the marketing of agricultural commodities. The order directing any such transfer or retransfer shall designate the records, property (including office equipment), personnel, and unexpended balances of appropriation to be transferred.

Mr. WRIGHT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in addressing the committee a few days ago I announced that I would probably offer as an amendment to the pending bill a bill which I have introduced at this session providing for the leasing of Muscle Shoals.

I have conferred with some of the leading parliamentarians of the House, who advised me that a point of order would unquestionably lie against such an amendment. I am assured a point of order would be made if I offered the amendment, and therefore I rise to say that I will not offer the amendment, because I do not wish to engage in a useless procedure.

Mr. WILLIAMSON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from South Dakota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMSON: On page 15, line 19, strike out the period and down through the period in line 22, and insert in lieu thereof a comma and the following: "together with any part or all of the personnel thereof, and the whole or any part of the records, supplies, equipment, and unexpended balances of appropriation appertaining thereto; and while under its jurisdiction all duties performed and all power and authority possessed or exercised under existing law by the head of any executive department in or over any activity so transferred shall be vested in and exercised by the board. The order directing any such transfer or retransfer shall designate the personnel, records, supplies, equipment, and unexpended balances of appropriation to be transferred," so that the section will read:

"SEC. 9. The President is authorized, by Executive order, to transfer to or retransfer from the jurisdiction and control of the board the whole or any part of any office, bureau, service, division, commission, or board in the executive branch of the Government engaged in scientific or extension work, or the furnishing of services, with respect to the marketing of agricultural commodities, together with any part or all of the personnel thereof, and the whole or any part of the records, supplies, equipment, and unexpended balances of appropriation appertaining thereto; and while under its jurisdiction all duties performed and all power and authority possessed or exercised under existing law by the head of any executive department in or over any activity so transferred shall be vested in and exercised by the board. The order directing any such transfer or retransfer shall designate the personnel, records, supplies, equipment, and unexpended balances of appropriation to be transferred."

Mr. WILLIAMSON. Mr. Chairman and ladies and gentlemen of the committee, I am not entirely in accord with this bill. It fails in any adequate way to care for those agricultural commodities where the surplus has created the most serious problem. The agitation for farm relief started in the Mid West. We worked out what we believed to be a sound and practical program for handling the surplus so as to give the farmer the advantage of the tariff on that part of any commodity which was consumed in this country. That plan was repeatedly rejected by the executive branch of the Government.

The bill now before us seems to be the best we can get. Under proper management it has possibilities for good. That it will aid farmers' cooperatives can not be doubted. Through its stabilizing corporations it should help stabilize prices and give us a better average price than we now receive.

As the board acquires experience and we have an opportunity to observe and study the plan in operation, there will be opportunity to amend and strengthen it from time to time. The board is given wide powers and it will be largely up to the board and the President to make it function in such a manner as to place our farm marketing on a firm and stable business.

It is at least a beginning in the right direction and I hope that as it develops the fondest hopes of its chief sponsors will be realized. I shall vote for it not because I believe it represents the best plan for farm relief but because it is the best that can be gotten at the present time.

Now, if I may have the attention of the committee for a few minutes, I want to explain briefly why I think the amendment which I have offered is necessary.

You will observe that section 9 seeks to authorize the President to transfer to the board any bureau, service, and activity that may have something to do with the marketing of agricultural commodities, but it fails to authorize the President to transfer the personnel, equipment, records, or the unexpended balances of appropriations or anything else that is necessary to make that bureau function.

It is a well-established principle of law that where a legislative body creates a new activity or a new board it has only such powers as are expressly granted by the legislation. It is equally well established that where authority is granted to an officer, not inherent in the office, such grant will be strictly construed and held within the limitation. Measuring it by this rule of law, the only thing the President can do under this section is to transfer the activities having to do with marketing

of farm commodities which does not necessarily include equipment, records, and personnel, much less appropriations.

If the plan is carried out as indicated by a chart which has been on exhibition in the lobby for several days, the President would transfer to the board the division of cooperative marketing from the Department of Agriculture and a part of the Bureau of Foreign and Domestic Commerce from the Department of Commerce.

The law places certain specific duties upon the Secretary of Agriculture with reference to the division of cooperative marketing which the bill as drafted does not transfer to the board. The bureau may be transferred, but such transfer will give the board no power to function when it has got the bureau. If you want the activities transferred to function you have also got to transfer the powers which now devolve upon the Secretary of Agriculture and the Secretary of Commerce with respect to such activities.

The closing language of the section seems to indicate that it is the intention to transfer the appropriations, but there is no grant of authority to the President to transfer a dollar of unexpended funds belonging to any bureau that he may transfer. This part of the section is mere recital, on the supposition that the transfer of a bureau carries with it property used by the bureau and appropriations. It does nothing of the sort, and the language used will not reasonably permit of such construction; and I again call your attention to the fact that the only thing the President can do is granted in the first part of the section. There is no grant of authority here either to transfer the personnel, to transfer the records, or to transfer anything else in connection with a bureau, and there certainly is no grant to transfer the unexpended funds appropriated for the use of such bureau. In its present form the comptroller would have ample justification for refusing to let the board use any of the unexpended balances of such activities as may be transferred by Executive order.

There is not a single word in this section authorizing the President to transfer a dollar of any appropriation. The mere fact it recites that the order shall contain this or that means nothing at all because it does not constitute a grant.

That is all I care to say about it, gentlemen; but if you want to make certain to have this section operate as intended you should amend it so as to grant to the President power to transfer such matters and things as properly appertain to the activities transferred.

Mr. PURNELL. Mr. Chairman, with all due respect to the gentleman from South Dakota, his explanation, as well as the amendment, is pretty well involved and at this late hour I doubt the wisdom of its adoption. This section was very carefully prepared by the committee and I hope the amendment will not be agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 10. Vouchers approved by the chairman of the board for expenditures from the revolving fund pursuant to any loan or advance or insurance agreement shall be final and conclusive upon all officers of the Government; except that all financial transactions of the board shall, subject to the above limitations, be examined by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe. Such examination, with respect to expenditures from the revolving fund or pursuant to any loan or advance or insurance agreement, shall be for the sole purpose of making a report to the Congress and to the board of expenditures and of loan and advance and insurance agreements in violation of law, together with such recommendations thereon as the Comptroller General deems advisable.

Mr. LUCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Insert after section 10 a new section, as follows:

"SEC. 11. No association or corporation referred to in this act shall be deemed to be an agency of the United States."

Mr. LUCE. Mr. Chairman, I appreciate that at this time in the debate there is a desire to come to a conclusion of this matter. In spite of the apparent and natural impatience of some gentlemen I deem it a duty to offer this amendment because it may prevent trouble involving millions of dollars and protracted litigation.

After the farm-loan system was created it was brought in issue before the court on the ground of its constitutionality. If gentlemen on the Committee on Agriculture had served on the Committee on Banking and Currency, they would have had it brought sharply to their attention that the decision of the court in that case was of vital consequence. It was held in a



long decision after learned argument that the farm-loan banks were agencies of the Government. For that reason their securities were not to be taxed by State or municipality and the act was declared constitutional.

That issue may be raised here unless this amendment is adopted. The question will be whether the income and the property of these stabilization corporations may or may not be taxed by States and municipalities. You will see that it involves a great deal of money and the possibility of prolonged controversy.

I also understand perfectly, after long experience here, that the impulse to vote down all amendments in order to keep the bill clean is very strong, but I would point out to you that if you vote down this amendment it may be argued you have told the courts that you mean this new system to be considered a public agency, and therefore to be under the control of the United States, with the National Government having serious responsibility in the matter of regulation.

As a result of what is alleged to have been insufficient examination, investors in the stock of certain joint-stock land banks have lost millions of dollars, and it is possible they will come before us next winter to ask that we reimburse them by reason of the failure of our instrumentality, the Farm Loan Board, to provide proper regulation of the affairs of these banks. You may invite the same issue here unless you set it forth that it is not your intention that these various associations and corporations shall be considered governmental agencies.

It is a simple provision; it carries out what is no doubt the intention of the committee. It is based on experience in another field. It merely puts in a safeguard to the interest of all concerned. I shall be glad to have the opinion of members of the committee on the amendment in question.

Mr. WILLIAMS of Illinois. Mr. Chairman, there is not a single agency set up in the entire bill—the cooperative associations, the stabilization associations, marketing associations, the clearing house, or any other association of farmers that is in any sense a governmental agency. It is so stated in the report. The gentleman's amendment would be all right if there was any question about its being an agency of the Government.

Mr. LUCE. I call the gentleman's attention to the fact that in the arguments on the case of the joint-stock land banks—

Mr. WILLIAMS of Illinois. Oh, that was entirely different.

Mr. LUCE. Mr. Hughes and Mr. Wickersham founded their arguments on exactly the proposition that can be advanced here. Gentlemen may find it in *Smith v. Kansas City Title & Trust Co. et al.* (255 U. S. 180). Mr. Hughes held that the land banks were created for a public purpose. Mr. Wickersham held to the same effect and made this significant assertion, to which I would call particular attention: "Private stockholding in farm loan banks does not make the enterprise a private one." The court took that view and held the act to be constitutional.

The court decided that farm loan banks are public agencies. The justices looked through the form to find the purpose, and they found it public, not private. Read the first section of the pending bill and see if you conclude that we are not seeking to accomplish a public purpose and providing for agencies to give that purpose effect.

It may be contended that we can not make it a private purpose by so declaring and that the determination will rest with the courts, whatever we may say. Yet the intention of the legislating body gets due consideration by courts in reaching their conclusions, and if we do not mean to create public agencies, at least no harm will result from saying so. Possibly a declaration of the intent may save us from such a long wait in putting the law into effect as met the farm-loan system when the question of its constitutionality was taken into court. Possibly it will show who is to tax the half billion of money we are to put in the hands of the instrumentalities created, if it is to be taxed at all, and who is to tax the profits of these instrumentalities if they are thus to contribute to the public revenue.

At this late hour in the debate it may not be thought desirable to face the issue, to give it deliberate discussion and definite decision, but at some later stage in the progress of the bill it should get attention.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. The question is on the amendment offered by the gentleman from Massachusetts [Mr. LUCE].

The question was taken; and on a division (demanded by Mr. LUCE) there were 51 ayes and 125 noes.

So the amendment was rejected.

Mr. JOHNSON of Texas. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 16, after line 12 insert a new section, section 10a, as follows:

"Sec. 10a. The provisions of this act shall expire six years from the date of the approval thereof, unless extended by joint resolution of the Congress, except that such provisions shall remain in effect solely for the purpose of enabling the board to adjust, settle, liquidate, and wind up its affairs during such additional period as the President, by Executive order, designates is necessary for such purpose. At the expiration of the additional period designated by the President any money then remaining in the revolving fund shall be covered into the Treasury."

Mr. JOHNSON of Texas. Mr. Chairman and Members of the House, I am admonished by the regularity and precision with which the steam roller has been operating during the consideration of this bill that this amendment and any other amendment that may be offered will be overwhelmingly defeated. I am also aware of the temper of the House that you do not want to hear me or anyone else speak. You have heard too much speaking on this bill already, but I desire to call your attention to this amendment which I have just offered. It declares the purpose of this bill as it has been expressed in the report of the committee and by the various Members who have spoken in behalf of it. The argument has been on both sides of the Chamber that this is an experiment. There is no man in the House, I care not how wise he may be or how much thought he has given to this question, who knows what the result of this legislation is going to be. It may be a blessing to the farmers; it may be a curse to them. The one thing we know with certainty is that it creates another board and another bureau, and I know this from experience, and so do you, that when you create one of these Government boards or bureaus they are like a white mule, they never die, and unless some affirmative action is taken on the part of the Congress at this time to make this bill temporary for six years, whether the bill is successful or a failure, whether it be denatured and the powers hereafter taken from the board, the board will continue to exist and carry on. What I want to do is to declare that this is an experiment. Some one has suggested that it is a "noble" experiment. I hope it is and I hope it may be successful. If it is then at the end of the six years provided for in the amendment, or before that period, Congress by joint resolution can extend the life of the legislation, but if not the legislation will automatically die.

Mr. CLARKE of New York. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Texas. Yes.

Mr. CLARKE of New York. The gentleman has spoken of white mule, and he just speaks about something being denatured. I wish he would differentiate between the two.

Mr. JOHNSON of Texas. I leave that to the distinguished gentleman from New York, who is an expert upon both the subjects, and about which I am an amateur. I hope that you will give consideration to this amendment, because it gives us the right to try this new plan of farm relief. If it is successful there will be no difficulty in extending the life of the act, and if it is a failure it will not be necessary to take any affirmative legislative action to repeal it. I submit the amendment with the firm belief that it is right, with the knowledge that it will be defeated, and the hope that it will receive some votes. It will have the support of those who are not blindly voting against every amendment to this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

The Clerk read as follows:

SEC. 11. This act may be cited as the "Federal farm board act."

Mr. WINGO. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WINGO: Page 16, after line 14, add a new section, as follows:

"Sec. 12. The right to amend, alter, or repeal this act is hereby expressly reserved. If any clause, sentence, paragraph, or part of this act shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of the act."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Arkansas.

The amendment was rejected.

Mr. STEAGALL. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. STEAGALL: Page 16, add a new section, to read as follows:

"SEC. 12. The board shall make a report to Congress on the first day of each regular session, including a detailed statement of receipts and expenditures and all transactions and operations, together with the names of all officers and employees and the salary paid to each."

Mr. STEAGALL. Mr. Chairman, I do not want to make a speech, but I ask the attention of the Committee on Agriculture to that amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

The CHAIRMAN. If there are no further amendments, the committee will automatically rise.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MAPES, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 1) to establish a Federal farm board, etc., and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

#### SWEARING IN OF MEMBERS

Mrs. LANGLEY and Mr. HUDSPETH appeared at the bar of the House and took the oath of office.

#### ORDER OF BUSINESS—ADJOURNMENT OVER UNTIL MONDAY

Mr. TILSON. Mr. Speaker, I rise to make an announcement before going forward with the vote upon the agricultural bill. It appears necessary that a formal session of the House be held to-morrow at which it is not expected that any controversial matter will be considered. I now ask unanimous consent that when the House adjourns to-morrow it adjourn to meet on Monday next.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that when the House adjourns to-morrow it adjourn to meet on Monday next. Is there objection?

Mr. GARNER. Mr. Speaker, had not the gentleman better tell the House what will be considered to-morrow in case any gentleman needs to know?

Mr. TILSON. As the gentleman from Texas made the request of me for a session of the House to-morrow and has full information as to the necessity for it, I ask him to make a statement in regard to it.

Mr. GARNER. Mr. Speaker, a situation has developed in Florida with reference to the Mediterranean fly, which affects fruit, and the Agricultural Department is very anxious to secure an appropriation for that work. I have asked the majority leader to have a meeting to-morrow in order that that may be accomplished. That is the object of having the meeting to-morrow.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut that when the House adjourns to-morrow it adjourn till Monday next?

There was no objection.

#### FARM RELIEF

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. CANNON. Mr. Speaker, I offer the following motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CANNON. I am.

The SPEAKER. Is any member of the Committee on Agriculture opposed to the bill? If not, the Chair recognizes the gentleman from Missouri to offer his motion to recommit, which the Clerk will report.

The Clerk read as follows:

Mr. CANNON moves to recommit the bill to the Committee on Agriculture with instructions to report the same back forthwith with the following amendment:

Page 7, lines 3 and 4, after the word "at," strike out "a rate to be fixed by the board" and insert in lieu thereof the following: "the lowest rate of yield (to the nearest one-eighth of 1 per cent) of any Government obligation bearing a date of issue subsequent to April 6, 1917 (except postal-savings bonds), and outstanding at the time the loan is

made by the board, as certified by the Secretary of the Treasury to the board upon its request."

The SPEAKER. The question is on the motion to recommit. The question was taken; and on a division (demanded by Mr. DYER and by Mr. CANNON) there were—ayes 63, noes 302.

So the motion to recommit was rejected.

The SPEAKER. The question now is on the passage of the bill.

Mr. LARSEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 366, nays 35, answered "present" 2, not voting 19, as follows:

[Roll No. 3]

YEAS—366

Abernethy	Dowell	Johnson, Wash.	Ransley
Ackerman	Doxey	Johnston, Mo.	Rayburn
Addins	Doyle	Jonas, N. C.	Reece
Aldrich	Drane	Kadling	Reid, Ill.
Allen	Drewry	Kahn	Robinson, Iowa
Allgood	Driver	Kaynor	Robison, Ky.
Almon	Dunbar	Kearns	Rogers
Andresen	Dyer	Kelly	Rowbottom
Arentz	Eaton, Colo.	Kemp	Rutherford
Arnold	Eaton, N. J.	Kendall, Ky.	Sabath
Aswell	Edwards	Kendall, Pa.	Sanders, N. Y.
Ayres	Elliott	Kerr	Sanders, Tex.
Bacharach	Ellis	Ketcham	Sandlin
Bachmann	Englebright	Klefner	Schafer, Wis.
Bacon	Elick	Kless	Schneider
Baird	Esterly	Kincheloe	Sears
Bankhead	Evans, Calif.	Knutsen	Seger
Barbour	Evans, Mont.	Kopp	Seiberling
Beedy	Fenn	Korell	Selvig
Beers	Fish	Kurtz	Shaffer, Va.
Bell	Fisher	Kvale	Short, Mo.
Bland	Fitzgerald	LaGuardia	Shott, W. Va.
Bloom	Fort	Lambertson	Shreve
Bohn	Foss	Lampert	Simmons
Bolton	Frear	Langley	Simms
Bowman	Free	Lankford, Ga.	Sinclair
Box	Freeman	Lankford, Va.	Sirovich
Brand, Ga.	French	Larsen	Sloan
Brand, Ohio	Fuller	Lea, Calif.	Smith, Idaho
Briggs	Fulmer	Leatherwood	Smith, W. Va.
Brigham	Gambrill	Leavitt	Snell
Browne	Garber, Okla.	Lee, Tex.	Snow
Browning	Garber, Va.	Leech	Sparks
Brumm	Garner	Lehlbach	Speaks
Buchanan	Garrett	Letts	Sproul, Kans.
Buckbee	Gasque	Linthicum	Stalker
Burdick	Gibson	Luce	Stegall
Burness	Gifford	Ludlow	Steele
Busby	Glover	McClintock, Ohio	Stevenson
Butler	Glynn	McCloskey	Stobbs
Byrns	Golder	McCormick, Ill.	Stone
Cable	Goldsborough	McDuffie	Strong, Kans.
Campbell, Iowa	Goodwin	McKeown	Strong, Pa.
Campbell, Pa.	Green	McLaughlin	Summers, Wash.
Canfield	Greenwood	McLeod	Swanson
Carter, Calif.	Gregory	McMillan	Swick
Carter, Wyo.	Guyer	McReynolds	Swing
Cartwright	Hadley	Maas	Taber
Chalmers	Hale	Magrady	Tarver
Chase	Hall, Ill.	Manlove	Taylor, Colo.
Chindblom	Hall, Ind.	Mansfield	Taylor, Tenn.
Christgau	Hall, Miss.	Mapes	Temple
Christopherson	Hall, N. Dak.	Martin	Thatcher
Clague	Halsey	Menges	Thompson
Clancy	Hammer	Merritt	Thurston
Clark, Md.	Hancock	Michaelson	Tilson
Clark, N. C.	Hardy	Michener	Timberlake
Clarke, N. Y.	Hare	Miller	Treadway
Cole	Hartley	Milligan	Underwood
Collier	Hastings	Montague	Vestal
Collins	Haugen	Moore, Ohio	Vincent, Mich.
Colton	Hawley	Moore, Va.	Vinson, Ga.
Conner	Hess	Morehead	Wainwright
Connolly	Hickey	Morgan	Walker
Cooke	Hill, Ala.	Mouser	Warren
Cooper, Ohio	Hill, Wash.	Nelson, Me.	Wason
Cooper, Tenn.	Hoch	Nelson, Wis.	Watres
Cooper, Wis.	Hoffman	Newhall	Watson
Cox	Hogg	Niedringhaus	Welch, Calif.
Coyle	Holiday	O'Connor, La.	Welsh, Pa.
Craddock	Hooper	O'Connor, Okla.	Whitehead
Craik	Hope	Oldfield	Whitley
Cramton	Hopkins	Oliver, Ala.	Whittington
Crisp	Houston, Del.	Owen	Wigglesworth
Cross	Howard	Palmer	Williams, Ill.
Crowther	Hudson	Parker	Williams, Tex.
Culkin	Hudspeth	Parks	Williamson
Dallinger	Hughes	Patman	Wilson
Darrow	Hull, Morton D.	Patterson	Wingo
Davenport	Hull, William E.	Perkins	Wolfenden
Davis	Hull, Tenn.	Pittenger	Wolverton, N. J.
Dempsy	Hull, Wis.	Porter	Wolverton, W. Va.
Denison	Irwin	Pou	Wood
De Priest	James	Pratt, Harcourt J.	Woodruff
DeRouen	Jeffers	Pritchard	Woodrum
Dickinson	Jenkins	Purnell	Wright
Dominick	Johnson, Ill.	Quin	Wyant
Doughton	Johnson, Ind.	Ragon	Yates
Douglas, Ariz.	Johnson, Nebr.	Rainey, Henry T.	Yon
Douglass, Mass.	Johnson, Okla.	Ramey, Frank M.	Zihlman
Doutrich	Johnson, S. Dak.	Ramseyer	
	Johnson, Tex.	Rankin	



## NAYS—35

Auf der Heide  
Black  
Boylan  
Brunner  
Cannon  
Carew  
Carley  
Cochran, Mo.  
Corning

Crosser  
Cullen  
Dickstein  
Fitzpatrick  
Griffin  
Huddleston  
Igoe  
Jones, Tex.  
Kunz

Lindsay  
Lozier  
McCormack, Mass.  
Mooney  
Nelson, Mo.  
O'Connell, N. Y.  
O'Connell, R. I.  
Oliver, N. Y.  
Palmisano

Prall  
Quayle  
Romjue  
Somers, N. Y.  
Stafford  
Summers, Tex.  
Tinkham  
Tucker

## ANSWERED "PRESENT"—2

Andrew

Underhill

## NOT VOTING—19

Beck  
Blackburn  
Britten  
Cochran, Pa.  
Curry

Estep  
Graham  
McFadden  
Mead  
Murphy

Newton  
Norton  
O'Connor, N. Y.  
Pratt, Ruth Baker  
Reed, N. Y.  
Spearling  
Sproul, Ill.  
Stedman  
Sullivan, Pa.

So the bill was passed.

The Clerk announced the following pairs:

Mrs. Pratt of New York (for) with Mr. McFadden (against).

Mr. Spearling (for) with Mrs. Norton (against).

General pairs:

Mr. Graham with Mr. Mead.

Mr. Sproul of Illinois with Mr. Stedman.

Mr. Curry with Mr. O'Connor of New York.

Mr. Murphy with Mr. Blackburn.

Mr. Reed of New York with Mr. Sullivan of Pennsylvania.

Mr. Britten with Mr. Cochran of Pennsylvania.

Mr. CHINDBLOM. Mr. Speaker, I announce with regret that my colleague the gentleman from Illinois, Mr. SPROUL, is absent on account of the death of a member of his family. If he were here, he would vote "aye."

The SPEAKER pro tempore. Without objection, the gentleman's statement will stand in the RECORD.

There was no objection.

Mr. TABER. Mr. Speaker, the gentleman from New York, Mr. REED, is obliged to be absent to-day. He asked me to state that if he were here he would vote "aye."

The SPEAKER pro tempore. Without objection, the gentleman's statement will stand in the RECORD.

There was no objection.

The result of the vote was announced as above recorded.

On motion of Mr. HAUGEN, a motion to reconsider the vote by which the bill was passed was laid on the table.

## MARINE BIOLOGICAL STATION AT KEY WEST, FLA.

Mr. LEHLBACH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 179) to authorize the Secretary of Commerce to dispose of the marine biological station at Key West, Fla., and pass the same.

The Clerk read the title of the bill.

Mr. CRAMTON. Mr. Speaker, reserving the right to object, I think we need to have some sort of policy established as to legislation other than that announced as on the program of this session. We should have an explanation, at any rate, of this bill. I rather question if we are not to take up a program of legislation generally whether we want to establish a number of precedents. This House is prone to follow precedents, and if one bill is passed for one Member, it means that other bills must necessarily be passed for others.

Mr. LEHLBACH. If the gentleman will withhold any intention to object, I will briefly state the circumstances.

This bill, S. 179, was introduced in the Senate at the last session. At that time it was Senate 5860. It was unanimously passed by the Senate. It came here and was referred to the Committee on the Merchant Marine and Fisheries. It was unanimously reported by the Committee on the Merchant Marine and Fisheries and unanimously passed in the House during the closing days of the session.

It so happened that in the rush of business toward the close of the session the enrolled copy of the bill became lost, and, consequently, could not be signed by the Speaker of the House in time for presentation to the President, who unquestionably would have signed it because the bill emanated from the administrative department having jurisdiction, and with the approval and the request for its passage by the Bureau of the Budget.

The bill is merely to be repassed at the present time, not as new legislation or legislation that failed in the last Congress. The distinction is this. This is to correct a mistake in physically mislaying an instrument, which mistake occurred in the last days of the Congress, and therefore this is in a class by itself.

As to the merits of the bill I suggest that the lady whose district is affected by it, Mrs. RUTH BRYAN OWEN, tell the House the purport of the bill.

Mr. CRAMTON. Mr. Speaker, if the gentleman will permit, I was concerned about the general procedure. As I understand the bill is identical with a bill that was reported from a com-

mittee and passed the House unanimously in the last session. That being true, I shall not object, and I hope there will not be enough of these bills so that it will again be lost in the shuffle.

Mr. LAGUARDIA. Mr. Speaker, I reserve the right to object.

Mr. LEHLBACH. Mr. Speaker, I yield to the gentlewoman from Florida to explain the purport of the bill.

Mrs. OWEN. Mr. Speaker, briefly, the purport of this bill is as follows: A certain piece of ground not far from the center of Key West, Fla., was deeded to the Government on the supposition that a marine biological station would be placed by the Government on this piece of land. The owners of this land went to further personal expense, in addition to the giving of the land, on the understanding that the Government would fulfill its promise and establish a biological station there. Time passed, and the Government reconsidered the matter and decided not to establish the station.

Then those who had given the land for this express purpose asked that the Government return the land to them; and the Government, saying it had no use for it and was not going to establish the station that it had promised, agreed through the action of its specified board to return this land to the donors. This bill asks for the return of land which was not used for the specified purpose by the Government, as has been stated by the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. And the purpose of the bill is merely to go through the form of congressional ratification of this agreement between the Government and the people who gave the land for which the Government now has no use and which land the Government does not desire to keep.

Mrs. OWEN. Yes. [Applause.]

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, my purpose in reserving the right was not in particular reference to this piece of land, but as suggested by the gentleman from Michigan, if we are going to have legislation brought in here every evening, without an opportunity for its consideration, we ought to know it at this time. I will state, frankly, if it were not for the irresistible appeal made by the charming Representative from the State of Florida, I would object, but under the circumstances I can not object. [Applause.]

Mr. LEHLBACH. If the gentleman will permit, I agree with the general proposition stated by the gentleman from New York, but as I have said, this is a case by itself, as it merely rectifies an error of a clerk in losing at the last session the physical paper that was necessary to make this effective.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of Commerce is hereby authorized to dispose of the marine biological station at Key West, Fla., and to reconvey by quitclaim deed to the Key West Realty Co., Florida, the land conveyed to the United States by said company in deed dated June 10, 1915, and particularly described as follows:

In the city of Key West, county of Monroe, and State of Florida, beginning at the southwest corner of a sea wall of concrete bearing north 58° 30' east from a post 101 $\frac{1}{2}$  feet distant, said post being on the north side of the county road and at the eastern end of same, East Martello Tower bearing south 11° 30' west, distant 5,350 feet; thence running north 23° west 465 feet to an iron bolt bearing south 63° 30' east from a post and pile of stones 156 feet distant; thence running north 67° east 527 $\frac{1}{2}$  feet to an iron bolt at mean high-water line; thence running southerly along said mean high-water line 640 feet to an iron bolt driven into rock; thence running south 67° west 121 feet in line with said sea wall to the place of beginning, containing 4 acres, more or less, together with riparian rights, all courses and bearings herein being magnetic.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

## THE ST. LAWRENCE WATERWAY PROJECT

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in reference to the St. Lawrence waterway and to incorporate therein a statement made by Hon. J. Adam Bede, a former Congressman from my district.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PITTENGER. Mr. Speaker, the subjects of farm relief legislation and tariff modification are claiming the attention of everyone. They are important, but I want to discuss, briefly, another question which concerns the welfare of millions of our people. I refer to the plan for a deep waterway from Duluth

to the ocean via the St. Lawrence River. There have recently been introduced in the House two measures which relate to this question. I refer to H. J. Res. 37 introduced in the House on April 17, 1929, by Hon. CLARENCE J. McLEOD, of Michigan. This resolution calls attention to the fact that the St. Lawrence waterway project has been officially presented to our Government 15 years ago, and now awaits the negotiation of a new treaty with Canada. It calls upon Congress to reaffirm the spirit of good will which exists between the two countries, and to go on record in favor of the completion of the St. Lawrence project as soon as our neighbors to the north are ready to proceed.

On April 16, 1929, Hon. CARL E. MAPES, of Michigan, introduced H. R. 733, a bill adopting the report of the International Joint Commission covering this subject and authorizing the President of the United States to negotiate with the Government of Canada for the purpose of creating an international board of engineers to proceed with plans for said work.

I hope that both of these measures will receive approval. I realize that there must be a treaty covering the waterway project, but I believe that the passage of this legislation would be an aid in the efforts to have a treaty ratified. The policy of our Government respecting this important matter would be definitely known and declared.

Those who now give vigorous attention to the problem of farm relief legislation and tariff changes can, and should, tackle the waterway problem with the same enthusiasm. The welfare of all of our people is concerned with the transportation question, and its effect not only upon the producer but upon the consumer as well. The great Northwest, our land-locked empire, has long been denied the advantages of an inland ocean port. But they would not be the only ones to benefit by the completion of the St. Lawrence waterway. Our neighbors on the New England coast, our neighbors to the West, and our friends to the North of us, would all share in the advantages of cheaper transportation.

#### HOOVER'S STAND

I am fortified by eminent authority in making these remarks. On August 11, 1928, Herbert Hoover discussed this proposition in a speech in which he said, in part:

Nature has endowed us with a great system of inland waterways. Their modernization will comprise a most substantial contribution to Mid West farm relief and to the development of 20 of our interior States. This modernization includes not only the great Mississippi system with its joining of the Great Lakes and of the heart of Mid West agriculture to the Gulf, but also a shipway from the Great Lakes to the Atlantic. These improvements would mean so large an increment in farmers' prices as to warrant their construction many times over. There is no more vital method of farm relief.

In the light of this pronouncement, I feel justified in urging support for the pending measures. The people of Duluth, where I live, the people of my district, and the people of the State of Minnesota are vitally interested in the St. Lawrence project.

We have living in the city of Duluth a man who is a national institution. His fame has traveled all over the North American Continent. His name is J. Adam Bede. He is a former Member of Congress from my district. Many of you know him, love him, and respect him. He served in Congress from March 4, 1903, to March 3, 1909, and during that time he achieved a reputation as a statesman and orator of the highest type. He has studied the St. Lawrence waterway project. No man in America is better equipped to discuss it with you. Some time ago Mr. Bede in his paper, *Bede's Budget*, made a powerful plea for the early completion of the St. Lawrence waterway plan. I wish to incorporate in and make a part of these remarks what he said at that time. It is as follows:

[From *Bede's Budget*—By J. Adam Bede]

#### PUT DULUTH ON THE OCEAN

##### IT CAN BE DONE—EVERYBODY HAS AN OCEAN BUT US

Seventy-five years ago one man with a horse and cart transferred all the commerce between Lake Superior and Lake Huron, more than a mile and a half, around the rapids of the Ste. Marie River, now popularly known as the Soo. One day some men with vision decided it would facilitate transportation to channel the rapids and let the ships go through without unloading at this half-way point. But the owner of the horse and cart opposed the movement and declared its advocates had hysteria. However, the dream came true; the horse and cart and their obstreperous owner, long in restraint of trade, have returned to dust, and a hundred million tons of freight pass through the Soo in a single season.

Now transfers are made at Buffalo, N. Y., and Montreal, and other men of vision say we should channel the St. Lawrence as we did the Soo and let our ships sail forth on every sea. But the man with

the horse and cart at the transfer points sees his useless occupation gone and shouts "hysteria" in his turn.

The story of the movement is short and simple, while the possibilities are alluring.

It was found that our midwestern States are further from the high seas than any other great producing area of the world.

That this area is now heavily handicapped by the long rail haul and high freight rate to the seaboard.

That the tonnage of these western States has substantially doubled every decade for the past half century, and if ample transportation facilities are afforded, with reasonable rates, will probably continue to do so.

That terminal facilities at ocean ports are inadequate for present needs and fall far short of the prospective needs in the better times which are now slowly but surely returning.

That most western tonnage consists of farm produce, lumber, ore, and heavy manufactured goods, the prices of which are much affected by freight rates.

That the cost of transportation is added to production and all unnecessary cost is a useless or criminal burden, ultimately borne by producer and consumer.

That deep-water transportation for any considerable distance is substantially one-tenth the cost of the same mileage by rail, and where the water route is twice the length of the rail haul, the freight rate is still but a fraction of the overland rate.

That our ocean ports are already seriously congested, making all terminal operations very expensive, and can not possibly catch up with the growth of the country, whatever their plans for development may be.

That because of burdensome rates, extortionate terminal charges, and long delays incident to freight congestion, the price paid to the producer has no apparent relation to the cost to the consumer.

So the eyes of the western folk were turned to the St. Lawrence, and they asked for a seaway that would permit ocean craft to enter the Great Lakes and our own Lake shipping to engage in coastwise commerce.

The rivers and harbors bill of 1919 provided for an investigation of the project. The matter was referred to the International Joint Commission, which consists of three American and three Canadian members. Two engineers—one American and one Canadian—were appointed by their respective Governments to make the preliminary survey. They reported a plan which the commission unanimously adopted after many hearings in various cities of both countries.

This plan provides for a seaway with an immediate depth of 25 feet and a prospective depth of 30 feet, so that ocean freighters can enter and depart from the Great Lakes, using the Welland Canal between Lake Erie and Lake Ontario, and the other connecting channels to Lake Huron, Lake Michigan, and Lake Superior.

It contemplates a dam in the river between New York and Ontario which will flood rapids and incidentally develop at least 1,464,000 hydro-electric horsepower—and possibly over 2,000,000—to be shared equally by the two countries; also three canals, aggregating about 33 miles in length, one of about 8 miles to side-pass the dam, the second about 15 miles long connecting Lake St. Louis and Lake St. Francis, which are pools in the St. Lawrence River within the Province of Quebec, and the third of about 10 miles around the Lachine Rapids near the entrance to the harbor of Montreal.

All together these three canals will have seven locks, each 860 feet long, and 80 feet wide, with 30 feet of water on the miter sills. The estimated cost is \$252,000,000 for the 25-foot depth and about \$18,000,000 more to deepen the canals to 30 feet.

Beyond the forty-fifth parallel the St. Lawrence is wholly within Canadian territory where the United States have no riparian rights, and the plan makes no provision for the development of electric energy in that section—estimated at from 2,500,000 to 3,000,000 horsepower—but that is left as the bountiful heritage of Canada to be developed in future as her people may determine.

#### OBJECTIONS ANSWERED

The ghost of the man with the horse and cart has raised some objections to this plan for through traffic. Let us consider a few of them for a moment:

1. "The expense will exceed the estimates and is too great for the country to bear at this time."

This objection is based on our experience with the Panama Canal. But that is in the Tropics and was a sanitation rather than an engineering problem. We had to put the mosquito asleep before we could do the digging. It was a problem wholly new to our engineers and in no way comparable to the St. Lawrence project. The estimates for the St. Lawrence were made when prices were somewhat higher than they are now and are ample for the work. There are cases of record in our War Department in which money has been covered back into the Treasury when the project was completed. But 1,500,000 horsepower which will belong to the two Governments, if sold at the moderate figure of \$15 a year per horsepower, would yield an annual income of \$22,500,000. This would cover the estimated maintenance charge of \$2,500,000 a year, the interest charge of \$10,800,000 on the total cost at 4 per cent, and leave



a nice balance in a sinking fund to pay off the construction bonds. It's up to Congress to say.

2. "Ocean ships won't go through restricted channels."

The evidence is very strong the other way. Ocean ships go from Liverpool to Manchester, England, 35 miles through a narrow canal, and make the same rate to Manchester that they do to Liverpool. Ocean ships go 50 miles through a canal from the Gulf to Houston, Tex., and make the same rate that they do to Galveston. Ocean ships go 40 miles through the Panama Canal, 102 miles through Suez, 61 miles through the Kiel Canal, 51 miles at Amsterdam, 49 miles at Beaumont, Tex., and through scores of other channels with restricted navigation.

3. "We ought not to invest in a foreign country."

Under the treaty made in 1871 we have the same use to the St. Lawrence for navigation as have the Canadians, and they share equally with us in the use of the Great Lakes, with their connecting channels. Canada is now building a new Welland canal at an expense of probably \$100,000,000, which will be free to our ships, as the old one is now, and is a necessary link in Great Lakes transportation. This is to them the equivalent of a billion-dollar investment by us. In view of this act on their part our quibbling is childish. We accept their hospitality freely, use a canal for our commerce on foreign soil, and then object to investing a dollar to develop a waterway whose use we already possess. But Canada has several hundred millions invested in the United States in the Grand Trunk Railway and other lines, while our Government built and is now maintaining Lake channels near Detroit that are in Canadian territory. We own consulates in many lands and have a cemetery in France. Such things are the cement of civilization. Be not afraid.

4. "If we go to war with England, the Canadians will blow up the canal and our commerce will be destroyed."

And, we may add, their own commerce also. But why worry over an impossible situation? When the United States goes to war with England the whole world will go to hell, and it doesn't matter who blows up the canal.

5. "The fog and ice on the St. Lawrence makes navigation perilous."

Ask the United States Hydrographic Bureau. That is the highest authority on this subject, and its reports show less fog on the St. Lawrence route than the sea lines from Boston and New York to Liverpool. The classic instance of a great ship wrecked by an iceberg is that of the *Titanic*, and she was not bound for Duluth. An iceberg in northern water than can be seen is less perilous than one submerged in southern waters that can not be seen. The St. Lawrence route closes in midwinter so the ice problem is not so serious as it seems. The Canadians skate on it in the wintertime and it solves and dissolves itself in the spring. Scout boats with wireless telegraph now locate and give warning of every iceberg.

6. "It will ruin the barge canal on which the people of New York have spent \$200,000,000."

On the contrary, the electric energy developed on the St. Lawrence River will quicken every industry in New York and the canal will be a dry line for the factories on its banks. Its utility will be greatly enhanced.

7. "The St. Lawrence route would be open only three or four months in the year."

The report of the International Board of Engineers states that navigation at Montreal usually opens about April 20 and closes December 15. That would make 7 months and 25 days. In 1922 a dispatch from Montreal under date of April 14 announced the harbor open and no ice below. There were 13 days of navigation in April at the Soo that season and 23 days in 1921. All lower channels open earlier.

#### DEEPER HARBORS

8. "The seaway would be useless without deeper harbors on the Great Lakes."

All principal harbors and channels on the Great Lakes are 21 feet deep at low water, and most of our coastwise shipping is done on boats drawing only 20 feet. A vast amount of ocean commerce is carried on ships not drawing more than 21 feet. The Bethlehem Co. says a special type of lake-ocean ship with 7,000 tons cargo capacity can be built for the depth of water in the Lakes. But ultimately the great harbors used for the sea-going commerce will be deepened. In the meantime our great bulk carriers could extend their voyage to Montreal and Quebec. A few years ago the big boats carried grain 1,000 miles from Duluth to Buffalo for 2 cents a bushel. Then small boats took some of it 400 miles to Montreal for 7 cents. The bulk carrier would have gone to Montreal for about another cent a bushel, thereby saving 6 cents a bushel to producer and consumer. So the seaway, even at the present normal stage of water in the Lake harbors would not be useless.

9. "Thirty feet is not deep enough for the big ocean carriers."

Lloyd's Register, which is the highest world authority on ships and shipping, had 14,513 vessels listed in 1918-19, and of this number 99 per cent had drafts of 30 feet or less. If 99 per cent of the ocean shipping can come into the Lakes through the St. Lawrence seaway, we ought not to complain that 1 per cent remains on the

high seas. The same authority also showed over 81 per cent of ships to be 25-foot draft and under. So the Lakes can do some business when the St. Lawrence rapids are no longer in restraint of trade.

10. "The western shipper ought to be satisfied with the barge canal which New York State has given him at her own expense."

The barge canal has a capacity to handle 10,000,000 tons a year each way. The West ships 250,000,000 annually to and from the Atlantic seaboard. The canal has got through growing, but the West has not. In recent years it has cost about 13 cents to take a bushel of wheat from the bulk carrier in the harbor at Buffalo, via the canal, and put it on an ocean ship in the harbor of New York, with all incidental charges, and then it was further from Liverpool than it was at Buffalo. Liverpool is in latitude 53 and New York in 41, which shows Liverpool more than 800 miles north of Manhattan. Why pay 13 cents a bushel and waste a week's time nosing around through a ditch to get somewhere that you don't want to go?

11. "There would be no commerce from the Lakes to the ocean even if the seaway were constructed."

The great bulk of our exports are produced and a very large part of our imports consumed in the area tributary to the Lakes. The Anaconda Copper Co., of Montana, is now shipping its products to Seattle and via the Panama Canal to the consuming factories of New York, New Jersey, and New England. It could save several dollars a ton by shipping via Duluth and the St. Lawrence if the seaway were opened, which with a normal business would mean half a million dollars a year to that company alone. No country but ours would hesitate for a moment to open a gateway to the world.

12. "There would be no return cargo for the ocean ship coming into the Lakes."

In normal times, ships engaged in world commerce do not average loads of more than three-fourths capacity. That is, a full cargo one way and half a cargo the other, is about the basis on which rates must be established. If an ocean ship had a full cargo on every voyage its earnings would be exorbitant. Our exports to Europe during the war period were about seven times as much as our imports in tonnage, and in normal times they are about twice as great. It is therefore impossible that all ships should return with full cargoes direct from Europe. To overcome this unbalanced exchange of goods, many ships make triangular voyages between Europe, South America, and the United States. But a ship entering the Great Lakes could discharge cargo at so many different points covering a great diversity of industries, that it would have a decided advantage over one making a single Atlantic port. It might discharge its cargo at Cleveland or Chicago and run light to Duluth for a return load but that would be but a small part of the entire voyage and hardly an appreciable loss. The Lake ports can supply grain for a bottom cargo and raw materials and manufactures for the balance of the load. The Mid West is the great producing and consuming area of our country, and therefore better able than any seaboard to provide exports and demand a return cargo for her own consumption.

We would import sugar, raw rubber, fruits, fibers, fertilizers, hides, sulphur, salt, chemicals, vegetable oils, petroleum, tropical woods, pulpwood, and other products and we would export grain, flour, beef, cattle, automobiles, tractors, farm machinery, rubber tires, pumps, hoisting machinery, furniture, iron ore, steel products, wagons, wheelbarrows, engines, locomotives, and all things that now enter into our commerce with the world.

#### COASTWISE COMMERCE

But greatest of all would be our coastwise commerce. Lumber and fruits from the Pacific coast, early vegetables from the South, and the products of the Atlantic seaboard would be borne via the St. Lawrence to the heart of the continent, while the food products of the West would be laid down without transfer on Manhattan Island, thus reducing prices to the consumer.

13. "It would ruin the railroads."

Quite the reverse is true. It will save the railroads. In 1890 the ton-mileage of the United States was 79,000,000,000. That is, 1 ton carried 79,000,000,000 miles, or 79,000,000,000 tons carried 1 mile. In 1920 it had increased to 448,000,000,000. It is estimated by experts that in another decade with the full rebound of prosperity, it will pass 700,000,000,000 ton-miles. The railroads can not secure the capital to make ready for this volume of business, and the country will be driven, through discontent over their inefficiency to Government ownership unless the St. Lawrence and other waterways take the low-class freight off their hands. Big railroad men foresee this condition, and welcome practical waterway projects. Railways, shipways, rivers, barge canals, and truck highways must coordinate their efforts and all together meet the transportation demands of a great and growing country. America has already three ocean fronts—east, south, and west—let's make it four, and hitch our water wagon to a star.

14. "The United States will soon cease exporting wheat, and then the St. Lawrence will give Canada the advantage."

If we do not export wheat it will be because our own people consume it all, and the canal is just as necessary to carry our products to the

Atlantic seaboard as to Europe. But the country that uses the canal most is to bear the greater burden, so there is no chance for advantage on either side.

15. "The St. Lawrence is the graveyard of the Atlantic."

A sufficient answer ought to be that Montreal is next to New York the greatest exporting city on the American continent. The Montreal Harbor Commission in its report for 1921 states that there was not a casualty during that year in the harbor or the channels below. A graveyard without a funeral is a sort of Elysian field.

16. "Insurance rates are against the St. Lawrence."

This is not true from Duluth to Liverpool, as compared with the New York barge canal route. In fact, all insurance on the barge canal boats and cargoes has been withdrawn this season because the canal is out of repair, and perilous. New York has a slight advantage in rates over Montreal because of a larger volume of business and because the insurance companies are located there. When ocean ships can enter the Lakes this difference will fade away.

#### NUTS TO CRACK

Having answered the usual stock objections, let us propound a few queries for opponents of the project.

In our treaty of peace with England in 1783 we asked for free navigation of the St. Lawrence, but our request was rejected. The request was renewed in 1825 by John Quincy Adams, but was not then accepted. Not until 1871, under President Grant, did we gain this right by treaty. Having striven for such right for a hundred years, why should anyone object to the exercise of the right now? And having the right, why should there be objection to removing an obstruction from the stream?

Why should the East oppose the St. Lawrence seaway and make all boats on the Great Lakes stop at Buffalo when they could save 5 or 6 cents on every bushel of grain by sailing on to Montreal or Quebec?

By what kind of reasoning is a 5-cent street-car fare made an overwhelming issue in the cities, and the saving of 10 cents on every bushel of grain treated with contempt toward the country?

Why should the East oppose the St. Lawrence seaway when the East gets navigation plus power?

Buffalo being nearer than New York City is to Liverpool, why should western cargoes be compelled, at great expense, to go 500 miles out of their way through an artificial inland ditch when a better and cheaper way has been provided by nature direct to their destination?

Why should the commerce of a great continent go to a little island like Manhattan to get to the ocean?

Is it a crime or a dream for the overburdened shipper to try to find some place where the ocean comes clear up to the shore?

Why let the energy of the St. Lawrence River longer run to waste?

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mrs. NORTON, for three days, on account of illness in family.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that on next Tuesday, immediately after approval of the Journal and disposition of matters on the Speaker's table, the gentleman from Virginia [Mr. TUCKER] may be permitted to address the House for one hour.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

#### ELECTION OF MEMBERS OF THE COMMITTEE ON PRINTING

Mr. WILLIAMS of Illinois. Mr. Speaker, I send to the Clerk's desk a resolution and ask for its immediate consideration.

The SPEAKER pro tempore. The gentleman from Illinois offers a resolution, which the Clerk will report.

The Clerk read as follows:

#### House Resolution 31

*Resolved*, That the following Members be, and they are hereby, elected members of the Committee on Printing: EDWARD F. BEERS, chairman, EDGAR R. KIESS, WILLIAM F. STEVENSON.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

#### ENROLLED BILL SIGNED

Mr. CAMPBELL of Pennsylvania, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 1412. An act making appropriations for certain expenses of the legislative branch incident to the first session of the Seventy-first Congress.

#### EXTENSION OF REMARKS—FARM RELIEF

Mr. GOODWIN. Mr. Speaker, for several years the Committee on Agriculture has held hearings inviting the representatives

of farm organizations, economists, practical and real farmers to assist in discovering the ailments from which agriculture has suffered and is suffering, and applying the remedy in solution of this pressing and perplexing problem.

In the Sixty-ninth and Seventieth Congresses it was believed that a solution of the problem had been discovered and many of the Members of Congress faithfully believed that the equalization fee, properly applied to the distribution and disposal of a troublesome surplus in several commodities, had the problem settled. That principle would be available to-day but for the veto exercised by the President on two several occasions. The result of the last election, for the time being at least, has removed that principle of legislation from any consideration. Acting upon the mandate of the people as expressed at the polls the Committee on Agriculture has presented for our consideration a measure upon which we are mostly all agreed; which we hope the Senate will pass and will receive Executive approval. And it is high time legislation benefits be given to the farmers of this Nation, for his is the last of all industries to share in benefits legislatively enacted.

The present bill for the first time in my memory will yield to the farmer the right, if this bill is properly administered and he seizes the opportunities afforded thereby, to control the commodities he produces, to determine the prices at which they shall be sold in a material degree, and to market them in an orderly manner and at times so as to return to him a fair recompense for his intelligent work, hard toil, and a fair return upon his invested capital. If these results are not obtained, then the sponsors of this measure and we who support it are miserably deceived.

The merits and value of cooperative marketing have long been an established fact; while this principle has been demonstrated in the United States and in other countries its application in the United States has been slow of general acceptance for different reasons in different localities and in some instances for reasons purely local. I shall not attempt to enumerate these reasons, or any of them, but if I understand the provisions of this bill correctly an impetus, which will and should be almost universal, will be given to the organization of farm cooperatives, and it is entirely voluntary with the farmer whether he will join with his neighbors producing the same commodity, whether he will take advantage of the opportunity to reach out and obtain the benefits within his reach. This bill when enacted into law will not work automatically. The Federal board set up by the bill will not and can not function of itself. The initiative must be with the farmers themselves, and success or failure will depend upon their response.

I know that in many instances the experience of cooperative organizations in the past have been most disastrous, and the farmer has been exposed to the selfishness and the greed of promoters, who have used the farmers and their organizations for their own personal and selfish ends, but under this bill, with the advice of a Federal board and advisory groups, the farmer at all times will have the absolute control of his own organization, and under this bill he can work out his destiny and obtain that measure of prosperity to which he is entitled.

Adequate funds are provided for and will be available by which loans can be obtained by the cooperatives and assist in the effective merchandising of all agricultural commodities and food products. The money so obtained can be used in the acquisition and construction of storage and marketing facilities for all his commodities and products, either by outright purchase, lease, or construction of facilities. Clearing-house associations are provided for, and through and by which the products of the farm can be distributed in an orderly manner and thereby avoid an oversupply in some centers and a lack of adequate supply in others.

I am not entirely hopeful that the benefits under this bill will be immediately available, because it will take time to work out the principles of this measure. It will require time for the farmers of this Nation to become familiar with its provisions. It will require time to organize the numerous cooperative associations that will be needed to fulfill the aims of agriculture and obtain the benefits of this measure; but we have now, for the first time in seven years of diligent application, discovered a principle and worked out a bill that will afford a maximum of relief to agriculture.

The equalization fee in the former agricultural relief bills was a great stumbling block and an insurmountable obstacle. The principles of the equalization fee have been entirely eliminated from this bill, but I believe that its spirit is still alive and that in order not only to promote orderly marketing but to adequately take care of recurrent surpluses that some similar provision may yet have to be resorted to.



The stabilization-corporation provision in this measure is one of the strongest features of this bill, in my judgment, and a great improvement over all other bills, in so far as stabilization is concerned, resting in the fact that the stabilization corporations must be set up by the cooperative associations themselves, and by and through such corporations the purchase, storing, and disposing of all agricultural commodities can be marketed in an orderly manner.

In loaning the Federal funds up to \$500,000,000 the board is limited in its authority exclusively to cooperative marketing organizations, and by the latter to be used for the purposes set forth in the bill. The Federal board will undoubtedly determine the terms and conditions upon which this money will be loaned to the cooperative organizations, including the time of repayment and the rate of interest and the security necessary for the repayment.

Any farm relief bill to be successful in operation must be general in its application and include every agricultural commodity, including those of which we have a recurrent surplus as well as those consumed entirely within our own borders and no part of which is exported; it should be in possession or assured of sufficient capital to enable the producers to market all commodities seasonably and with methodical and systematic regularity according to demand. This includes capital easily and reasonably obtained, so that the farmer can hold his crop, or a part of it, until such time as he can profitably dispose of it, either in his own or a cooperatively owned warehouse, and a cooperative or sympathetic selling agency that will dispose of his crop to his advantage. The administration of such a law should have as little as possible interference by Government officials and should never suffer from the blighting influence of bureaucracy; the power of the cooperatives should be exercised in a manner and to the purpose of restricting abnormal production in those commodities in which there is recurrently a surplus.

All of these features and many others beneficial to agriculture are embodied in this measure. My own opinion is that we shall yet have to, at some future time, so provide that losses, if any, incurred in the handling of any product shall fall upon that particular product; but I honestly hope that that contingency may be averted.

However, I am not convinced that this bill is all we need to give to the farmer the full benefit of his industry. In his speech of acceptance the President stressed two other remedial measures which will be a part of his plan for suggested farm relief. One of these, and full of merit, was the fuller development of our inland waterways, with a possible relief to agriculture from the excessive and burdensome charges imposed by our rail carriers, especially those whose commodities are produced in the Middle West and Northwest, and upon whom the toll is so heavy that in some instances the carrier charges absorb the farmers' entire profit "and then some." Relief from this condition will be necessarily long delayed, because channels are not dredged, canals, locks, and dams constructed or built in a day or in a decade. But the third remedial expedient is within our power to fulfill promptly, and relief in that direction can be obtained immediately; and that is, through an intelligent and constructive revision of the tariff and an increase of tariff duties upon those agricultural commodities that clearly need a step up if their profitable production shall continue.

It is not alone the surplus production that has depressed the American farm market; and the plight of the American farmer is found not entirely in his own overproduction, but is due in some and I believe in large measure to heavy importations of similar commodities and substitutes that we can produce in this country and of as good or better grade and quality as are produced abroad and imported into this country.

I firmly believe in the truth that the American farmer should have exclusive access to and the full control of the American market for all those commodities produced in the United States, the principle of reciprocity to the contrary notwithstanding. I have no sympathy with that group of manufacturers who selfishly ignore the plight of the farmer for their own advantage; for that individual who sanctimoniously prays for farm relief, but who is not willing to concede anything that may diminish his own profits.

Ladies and gentlemen of the House, we are called into extra session for the sole purpose of providing relief to agriculture in all of these ways, not by one of them, but by all three, and it is just as necessary to consider tariff maladjustments as it is to provide direct and specific farm relief. The subject of the revision of the tariff is not at this moment before us, but it will be in a short time, and there is where we can do a full measure of justice to agriculture. Just think of it! In 1927

we imported in excess of \$1,000,000,000 in value of farm commodities! Most of this huge import total was of commodities that could have been produced in the United States, and if so produced would have relieved the pressure upon the farmer of the extraordinary surplus in several commodities. We import several hundred million pounds of vegetable oils each year that replace articles we can produce in this country.

In 1927 Minnesota produced more potatoes than any State in the Union. In my district there were a number of factories equipped to manufacture as high grade of potato starch as is or can be produced anywhere in the world. And yet every one of those factories stood idle because Germany and other countries under favorable-to-them tariff duties imported into the United States millions upon millions of pounds of potato starch, and thereby deprived the American potato grower of a market for his potatoes because his foreign competitor can produce that commodity at a less cost than he can on account of cheaper labor, lower freight charges, and a reduced standard of living. We are not assembled in this extra session to confer benefits upon the farmer in foreign countries, nor are we here to add profits and opportunity for increased profits to the brokers in farm commodities and upon the speculators in farm products. We are here to do justice to our own people, our own citizens, and to that great body that has carried for years a burden under which any other industry would have cracked years ago.

The bill under discussion, and which we will soon pass, is, in my opinion, a measure full of promise and hope, and properly supported by agriculture and sympathetically administered by the agencies created thereby will elevate agriculture to a plane of possible equality with other industry, but unless we have adequate relief by adjustment of the tariff rates and duties, and that means a substantial increase of duties on many commodities, agriculture will not be on that plane of equality to which it is by every economic law and right and reason entitled. By the enactment of this bill into law our work is not completed; our responsibility is not fully discharged; our full duty to agriculture is not completely fulfilled until and unless we give to it the full protection of that principle of legislation that has made this Nation the most prosperous of any and in the benefits of which our farmers have not had their full share.

Mr. SINCLAIR. Mr. Speaker, the price paid the farmers of western North Dakota for grain sold at the local elevators on April 25, 1929, was 94 cents per bushel for No. 1 northern wheat, 72 cents for durum, 73 cents for rye, 42 cents for barley, 34 cents for oats, and \$2.11 for flax. All of these grades were No. 1. The average cost of production for wheat and durum in this region ranges from \$1.25 to \$1.35 per bushel for the last year. On the same date flour is quoted as selling in the same market at \$4.10 per hundred pounds. In the consideration of all farm relief legislation, it is well to keep in mind the exact prices which the farmer gets at his local station, for on them his business, whether of profit or loss, must be based. It takes very little arithmetic to deduce that there is no "profit" in the business of the farmer at the figures quoted.

A few years ago the Tariff Commission made an exhaustive study of the cost of production of wheat in Canada and the United States. The conclusions reached in that investigation were that on the average, in the spring-wheat territory, the cost of producing a bushel of wheat was 42 cents less in Canada than in the United States, and that the tariff should be increased to correspond to that figure. Consequently the President set the tariff on wheat at 42 cents a bushel. While this duty has been of some benefit, no one can seriously contend that this tariff has been wholly effective. Without some artificial agency no tariff can be fully effective as long as we are producing a large surplus crop.

It is held by our market experts that most of the hard spring wheat is used in the domestic market for milling purposes and that there is no surplus to export. This statement has never been fully verified outside of the milling trade. It is quite safe to assume, however, that all of the high-protein hard spring wheat is used in making flour for domestic consumption. Therefore, with the proper marketing agency it will be quite feasible and possible to reflect the full benefits of the 42-cent tariff to the producers of that high-quality grain.

The bill under consideration (H. R. 1) provides for a Federal farm board, which through its investigations will be able to determine and classify the types of products wholly consumed in the home market and of which there is not a surplus as well as the surplus crops. Information as to the total amount and quality of each product given to the commodity-marketing associations will enable them to obtain a materially higher price for the producers. This knowledge, and the backing of a governmental agency, will give great bargaining power to the farmers' organizations in handling their products.

Agriculture has been at a great disadvantage in its production for the past 10 years. Interest, taxes, farm machinery, and other items that go into the farmer's expense account rapidly mounted during the war and have not come down. The selling price for his products has been greatly reduced. The result is he has been operating at a loss, to such an extent that his working capital has been seriously impaired. The greatest hardship has been suffered by farmers raising crops of which there has been a surplus.

The difficulties have been further increased by the development of competition in foreign countries. American capital has found a more profitable field abroad than at home. Up to date American machinery is shipped to foreign lands and sold cheaper than at home. This is especially true of Canada and Argentina, our chief grain competitors. Millions of dollars of American capital have gone into farming operations in both these countries. The effect has been to enable them to undersell us in the markets of wheat, flax, and livestock, lines of industry once proudly dominated by the American farmer in the world's markets. In the case of flax and livestock they are even encroaching upon the domestic market.

No legislation can save the present body of American farmers which does not provide a system of marketing which will give them the average cost of production plus a profit. In the fight for farm relief during the past eight years it has been my contention that Congress should do this for agriculture. We have done it for industry and finance as a matter of expediency following the war. We should do no less for the farmer, because no group of our population suffered the losses that farmers did during the readjustment period. Of necessity, legislation of this nature might be considered temporary, involving a three to five year period. If passed, it would place the farmers in better position to then set up their own cooperative and stabilizing organizations, as contemplated in the bill under consideration.

I shall vote for this bill, believing it to be the only type of farm-relief legislation that can be passed. I do not believe that it does all that ought to be done for agriculture. Its remedial effects will not be immediate. In the long run I think it will be of vast benefit to the farmer, if it be administered by a sympathetic board. To my mind the enactment of a farm relief bill, after a struggle of eight years, marks a big and important step in the recognition of the rights of agriculture. Other aids, such as the tariff, freight rates, and so forth, must follow. In my judgment President Hoover is to be commended for so promptly redeeming his campaign pledges to call Congress into special session to deal with the agricultural problem. It is now up to Congress to do its part.

Mr. STEVENSON. Mr. Speaker, I consider this bill clearly in consonance with the mandate of the people to Mr. President Hoover in the last election and I shall support it as being the best bill thus far evolved in the course of the years of agitation for agricultural relief. It omits those features of former bills to which I objected as probably hurtful to the cotton farmer and contains provisions that, if properly executed, may be of great benefit to that industry, and I am glad to support it and feel hopeful of its beneficial effect.

Mr. BURTNESS. Mr. Speaker, the purpose of these remarks is to take issue on an important question of legislative intent with a statement made by the gentleman from Kentucky [Mr. KINCHELOE] and the gentleman from New Jersey [Mr. FORT] in reply to questions put to them by the gentleman from Massachusetts [Mr. LUCE] as to whether the Sherman antitrust law applies to the so-called stabilization corporations contemplated to be created by the farm bill.

The substance of the reply of both of these men to that inquiry was that the Sherman law would apply to the stabilization corporation "if it attempts to unduly enhance prices to the distress of the consumers."

While I attempted to obtain recognition immediately for the purpose of expressing my serious doubts as to the correctness of that construction, and my conviction that they were wrong, there were so many seeking recognition for the purpose of offering amendments that by the time I could be reached it was so late in the afternoon that I did not want to delay further a vote on the bill.

A very important question was raised by Mr. LUCE and it deserves consideration. I do not want the RECORD to show that all of the House feels that the Sherman antitrust law would apply to the activities of the stabilization corporation; neither do I believe that upon second thought the two very able and distinguished gentlemen who took that position yesterday would adhere to it.

One of the very purposes of the farm bill specifically emphasized in the report is that of exempting farm producers from the operations of various restraining laws in so far as market-

ing their products are concerned. I quote the following from page 6 of the report:

Next, we propose not only to duplicate all of the machinery that industry enjoys in marketing—not only to furnish capital for this machinery, but also to give to agriculture a new kind of organization which industry neither has nor under existing laws would be permitted to have. This is what is called the stabilization corporation. As we have shown, it is impossible for agriculture to control its production and against the public interest that it should attempt to control it to the extent that industry can so control.

Nothing can be plainer than the foregoing language. It specifically shows the intent of the bill that formation of an entity similar to the stabilization corporation in other lines of industry would be prohibited by the antitrust laws. Why, the very purpose of permitting the stabilization corporation is that trade may be controlled and restrained and that prices may be enhanced. It, in fact, contemplates the very possibility, and I would suggest the aim, of a monopoly in so far as the one commodity handled by the corporation is concerned.

I quote again from page 7 of the report, which further amplifies the position taken in the former quotation:

In addition to the financing and to the stabilization corporation and to the farm board, none of which have been paralleled in legislation for any other industry, we are proposing a practically complete exemption to the organizations of agriculture from the operation of the antitrust and monopoly statutes. Upon this point particularly we anticipate a considerable criticism from the nonagricultural sections. We believe, however, that this exemption is justified on two main grounds: First, that the nature of agriculture is such that control of production can not be achieved as easily as in industry, if, indeed, it can be achieved at all. With 6,000,000 men engaged in independent farming operations, the probability of successful monopoly to the public injury is very slight. In the second place, if as a Nation we wish and need a production safely in excess of our minimum needs, we must give to the farmer some off-setting advantages in the control of his prices and marketing that we refuse to all other forms of industry. Unprecedented as this is, we therefore strongly recommend its adoption.

I submit that there is nothing whatsoever in the bill which would warrant any construction to the effect that the stabilization corporation would be subject to some of the provisions of the antitrust acts, but not to others. If such were the intent, it would have to be set out plainly in order to be so construed. The remarks of many during the debate plainly showed that they did not regard the antitrust laws as applicable to a stabilization corporation.

An even more conclusive answer indicating the lack of merit in such contention would seem to be the fact that "undue enhancement of prices to the distress of the consumers" is not set out in any of the antitrust acts as a violation of the law. What is prohibited by the antitrust laws are contracts, combinations in the form of trusts or otherwise, or conspiracies in restraint of trade or commerce. It matters not whether such contracts, conspiracies, or what not enhance prices or affect them in any way. The combination itself is unlawful.

Subdivision C of section 6 gives the stabilization corporation a mandate to attempt to secure profits on the products purchased. It does not in any way tend to limit those profits. It simply provides that the corporation "shall not withhold any commodity from the domestic market if the prices thereof have become unduly enhanced, resulting in distress to domestic consumers." All this does is that Congress says that when the prices become duly enhanced the corporation must not withhold the commodity from the domestic market.

It seems to me that the real control for the enforcement of this provision laid down in the bill is the power given to the board to control the loans which it makes to the stabilization corporations. The board will doubtless retain power to call its loans in accordance with the provisions of the law and regulations that may be adopted under it. I submit that such power together with moral suasion that the board might bring to bear at any time, as well as the fact that the management of every stabilization corporation would know that it could not abuse a power it might temporarily have, for if it did, the next application for a loan would be denied is ample for the purpose intended. I submit that all of these factors were the ones which the agricultural committee must have had in mind when they drafted this bill as being thoroughly effective to prevent such corporation from in any way "gouging" the consumers.

I seriously doubt, however, whether the most ardent proponent of this bill believes for a minute that the plan proposed will ever prove so successful in the case of any commodity that the corporation could, even if it should desire, force prices to such a point as to cause distress to consumers.



In any event, it was my judgment in voting for the bill that the Sherman antitrust law can in no way apply to the stabilization corporation; that the intent to exempt it is shown throughout the structure of the bill and by the carefully prepared report thereon; that it is impossible to exempt the corporation from the general terms of the antitrust act, and then by inference assume that there might be a prosecution under it upon some feature, such as undue enhancement of price, causing distress to consumers which is not even set out in the antitrust acts as any of the elements entering into a violation thereof.

As already stated, practically every violation under the antitrust laws contemplates a combination or conspiracy in restraint of trade or commerce. The only practical exception thereto is a monopoly, but a benevolent monopoly which might not in any way increase prices but which would in fact decrease the price is just as guilty as one which may increase the price. Not only that, but any attempt to monopolize any part of such trade or commerce among the several States is also a violation.

In this bill, however, we not only encourage such attempts but we provide loans out of the Federal Treasury for the purpose, so I submit that the intent to exempt the corporation entirely from the provisions of the antitrust act is plain and that the rights of the consumers are intended to be protected otherwise; namely, by the control which the farm board itself will always have over these corporations. It is to be remembered that they can not even be recognized as stabilization corporations without the consent of the board.

Mr. HOGG. Mr. Speaker and fellow Members of Congress, the message of the President of the United States to this Congress is a comprehensive statement of the farm situation which should challenge the attention of every thoughtful citizen.

#### EXAMPLE OF INDUSTRY

The 180,000 industrial institutions in the United States are highly organized. Mass-production methods, reduction of overhead in production and distribution is the order of the day in industry. In many cases—oil, for example—industry has created a complete chain of operation from the production of the raw material to the manufacturer, advertising, and direct sale of its finished product. This has been brought about in trade associations.

There has been a great elimination of middlemen in some industries and the reduction of their share of profits in many others. Speculation in these industries is greatly lessened; and finally, despite growing control of markets, prices to the consumer have been reduced through lower overhead costs and the lessening of the number of hands through whom the product must pass on its way to the markets.

If these things have succeeded in industry, they will succeed in agriculture, to the effect that the farmer will receive a larger part of the dollar which the consumer pays for his goods. The greatest differences are those in production. The same farmer can produce a great variety of products through a diversification of crops, where a factory depends upon a single product. It must not be overlooked for a moment that the small farm and its proprietor is the backbone of our Nation. Mass production or corporate production in agriculture must be avoided.

#### COMMODITY ORGANIZATION

Different commodities can not be handled or marketed in the same way. Each has its own peculiar needs. Commodity organization is, therefore, the only practical basis for marketing. Farmer control is absolutely essential. Without it you could never bring the farmers together and could not retain their support and cooperation unless they are a part of the controlling power in this great industry.

Each standard farm commodity should be organized as a separate, independent, commercial unit, controlled and operated by its producers. Effective marketing requires centralized control. There must be some recognized authority overlooking the entire field, regulating distribution, directing sales, empowered to speak and act for the producers as a whole—a commodity marketing board, representing the entire commodity which it represents.

Operations extending over all this country and abroad can not be confined by State lines or be dependent upon local authority. Eighty per cent of farm products enter into interstate or foreign commerce.

No system will be continually effective or prove a permanent solution of this problem unless it is founded and conducted on sound business principles in accordance with modern commercial practice. Any legislation will fail of its full effectiveness unless it enlists, as this plan does, the active participation and hearty cooperation of the 6,000,000 farmers of America.

If, in place of the present haphazard methods of selling and distributing farm products, with farmers selling singly or in

small groups, at the mercy of dealers and speculators, we can establish a great and powerful farm marketing system, each commodity controlled by its producers, and all coordinating with a Federal farm board, it will do more to stabilize agriculture and place farming permanently on a paying basis than all other schemes that can be devised.

#### SUPERVISION NECESSARY

Without Government help it is impossible to expect that 6,000,000 farmers of America, who are producing 80 varieties of crops, become organized in such a way that they can market their products to advantage. Only through large-scale marketing can we reduce overhead costs and eliminate the waste. The farmers of America must continue to own their own business and, through proper organizations within their own ranks, market their own products. The bill under consideration proposes that as many farmers as will in each community unite in cooperatives as a means of handling and storing their respective products. The bill will permit loans to these cooperatives in practically an unlimited amount at a rate to be fixed by the board. Loans for equipment may be for a period of 20 years and for 80 per cent of the value of the equipment, but loans will not be made to construct unnecessary duplication of equipment.

#### STABILIZATION CORPORATION

The cooperatives as a selling agency shall form a stabilization corporation which shall in final analysis serve as the agent for the cooperatives in selling. The farmer will take his grain to the elevator and receive a substantial part of the current price in cash and a certificate for the balance of the price. The stabilization corporation, if it should become necessary, will act as the sole agent in selling the product, and thus will prevent gluts and famines in the market and will sell in an orderly way.

The responsibility of the farmer will be to take an active part in his local cooperative, which will be under the supervision of the Federal farm board, thus insuring the highest possible business efficiency. By the cooperatives for each community working together through the stabilization corporation sales can be concentrated in one agency, products will be stored at convenient points, and thus a great saving, including unnecessary transportation, will be made. The board will be directly responsible to the President of the United States and its chairman can be removed at the pleasure of the President.

#### MERIT OF PLAN

This plan of organization offers no subsidy. It requires no elaborate machinery, imposes no tax upon the farmers, and contains no economic unsoundness. It furnishes the capital upon which agriculture can organize to own and control its own business. It embraces all agriculture without assuming control over the farmer. It contemplates the stabilization of prices. It requires the initiative of all action by the farmers through their own organizations.

This bill will certainly work a great advantage to the American farmer, because it will give him the advantage of the price that the consumer is now paying for his products less a reasonable and necessary cost for distribution.

This alone, however, is not the sole cause of the farmers' troubles at the present time. Local taxes have doubled and in some cases trebled since 1920. Work animals have been replaced in many instances by mechanical appliances, thereby decreasing the consumption of farm products. Railway rates have necessarily increased. There has been a growth of competition in the world markets from countries that have cheaper labor and more nearly virgin soils. Since 1910 the production of the American farms has increased 30 per cent. Of course, to pay a bonus or debenture upon increased production will only aggravate the situation. An effective tariff upon agricultural products will not only protect the farmer but will stimulate him to diversify his crops, for the American farmer must have the benefit of the American market, and by the protective tariff the American consumer should be forced to use the product of the American farmer.

Mr. IGOE. Mr. Speaker, for the past six years or more our country has been confronted with a so-called serious problem—agriculture relief. Is this problem as serious as it has been pictured, or is it a political travesty staged for the edification of the populace of the Nation by a few principals, who have hoodwinked a minority of those who earn their livelihood by taking from the soil products that are actual necessities to the existence of human life into believing that through the medium of legislation benefits could be accrued that would enhance the profits of their industry?

The question of farm relief has been flaunted in our faces for such a length of time that it has become monotonous not only to the consumers but to the farmers themselves. The President, fulfilling a pledge he made to the voters of this great

Nation prior to his election last November, has called the Congress into extraordinary session for the primary purpose of offering some definite plan of relief for those engaged in the agriculture industry. We now have under consideration a bill purporting to carry out that mandate. In actuality, does this measure offer a sound solution to the difficulties of the farmer? If the question was put to me personally, I would say no. Even the Members of this House who have the honor to represent farming districts hesitate to put their stamp of approval upon this legislation for the reason they do not believe that by its enactment the interests of their constituents would be protected or that their difficulties would be relieved to any great extent.

Only yesterday the chairman of the Committee on Agriculture, in answer to queries directed to him, stated on the floor of this House that he did not believe it is in the power of anybody to prevent overproduction, and that he doubted that there is any way in which it can be prevented under any law that may be passed in this Congress. He stated further that it is beyond the power of the producer and it is beyond the power of Congress to do it. The gentleman from Iowa no doubt is correct in his statements, since he has received the advice of many who have had wide experience in the varied branches of agriculture, who appeared before his committee upon request; therefore he is in a position to offer the truth of the facts. On yesterday when the equalization fee—the pet feature of the two farm relief bills that have already passed the House and Senate only to be vetoed by a Republican President—was presented as an amendment to the present bill, the proponents of this feature in the former bills were opposed to including it in the present measure; therefore the amendment was set aside as being not germane to the bill.

We are now experiencing one of the greatest farces ever perpetrated upon any nation as the result of efforts to legislate what we shall drink. Do we propose to duplicate this tragedy by legislating what we are to eat and the price we are to pay for same through the medium of the cooperative marketing plan?

My constituency consists primarily of consumers of agricultural products rather than producers of these commodities; therefore I am opposed to any price-fixing legislation that has for its purpose the raising of the price which the consumer will have to pay. I am also opposed to the centralization of power as proposed in this bill, as it has a tendency to promote a bureaucratic form of government.

As I stated before, the primary purpose of the special session of the Congress was to offer some tangible plan of relief for the farmer. Should you pass this particular bill and it later becomes a law the farmer will receive for his untiring patience a beautiful flow of the English language, which will mean nothing, and he will be forced to continue in his present environments with his dream of relief shattered to the winds and the thought that at some future date his needs will actually be cared for.

Mr. BLACKBURN. Mr. Speaker, in the confusion resulting from the offering of so many amendments to the so-called farm relief bill (H. R. 1), the Members of the House have no doubt overlooked incorporating into this bill some desirable features. I have been strongly tempted myself to offer an amendment requiring the President, when he appoints the members of the Federal farm board, to recognize specifically certain farm products by appointing as members of the board farmers who grow and deal in certain farming commodities.

I have especially in mind the great tobacco industry of our country. There should be appointed on the board by the President some outstanding farmer who understands the problems of the tobacco grower. I wish to call attention to the Members of this honorable body to the fact that tobacco pays into the Treasury a large sum of money, and that this amount is constantly increasing, and, in my opinion, will continue to increase. For this reason, if for no other, the tobacco grower should receive favorable consideration at the hands of our Government.

For years the tobacco growers of Kentucky have been trying to solve their own problems. I know of no other farming industry in our country which has so consistently endeavored to get on a sound basis as the tobacco industry. Many women and men in my State of Kentucky have given of their strength and intellect, freely, in efforts to stabilize the orderly marketing of tobacco.

This fact, coupled with the Government's direct interest in the revenue derived from tobacco, is, in my mind, a compelling argument why a farmer who grows tobacco should be on the Federal farm board, so both the Government's interests and the interests of the tobacco grower will receive from the board a most sympathetic and intelligent consideration.

The bill we will pass in this body will go to the Senate for their action. Doubtless the Senate will make many changes in the bill. It will then be necessary for the bill to go to confer-

ence. I trust the committee appointed by the House to represent this body at that conference will insist that provision be made to recognize specifically the tobacco growers of our country.

I heartily approve of the efforts being made by the administration to solve our farm problems. The present bill is undoubtedly a step in the right direction. For this reason I give it my support, notwithstanding I believe it should be amended so as to assure a representative on the board who will be interested in the particular problems of the tobacco grower.

Mr. HOFFMAN. Mr. Speaker, after seven years of diligent effort the members of the Committee on Agriculture have given us a bill, economically sound and workable, designed to reestablish the independence and prosperity of agriculture in the United States. While it is in no sense a cure-all for low prices or a panacea for agricultural distress, this legislation, intelligently and sympathetically administered by the agencies it creates, and supported by a sensible adjustment of tariff rates, will go far to relieve the burdens upon agriculture and to place it on a plane of equality with other industries that have made lesser contributions to our national well-being.

The passage of this bill is imminent; our thoughts now turn to its successful administration when enacted into law, and it will be found that the same legislators, representatives of farm organizations, economists, and practical farmers who rendered yeoman service in analyzing the ailments from which agriculture is suffering and in evolving a plan for their relief will aid in making the farmer familiar with its provisions and in the execution of the plan that will insure him a fair return upon his hard toll and invested capital.

Among those who have manifested a deep and sincere interest in the problems of the American agriculturist and who have made valuable contributions toward their solution is Dr. Jacob G. Lipman, dean of agriculture at Rutgers University and director of the New Jersey Agricultural Experiment Station, New Brunswick, N. J. One of the world's greatest soil chemists and agronomists, he has established practical contacts with the American farmer and is anxious to see enacted and administered legislation that will enable him to control the commodities he produces, to determine in a material degree the prices at which they shall be sold, and to market them in an orderly manner.

I have asked Doctor Lipman for an analysis of the bill before us, setting out its fundamental provisions and offering suggestions upon their application. I am pleased to submit this for the information of Members of Congress.

1. It is proposed to stabilize commerce in and marketing of agricultural commodities that find their way into interstate and foreign trade. This stabilization is to be accompanied by:

(a) The organization of new cooperative associations and the strengthening of those already in existence.

(b) The establishment and financing of a national farm-marketing system.

(c) The preventing and controlling of agricultural surpluses.

2. The ways and means proposed for reaching these objectives are:

(a) A farm marketing board with a suitable personnel to carry on administrative, technical, and agricultural extension activities.

(b) The creation of advisory commodity committees.

(c) The promotion of agricultural organizations that are to make more effective various marketing enterprises.

(d) The investigation of market conditions in the United States and in foreign countries.

(e) The creation of an advisory service for agricultural producers and the furnishing of information concerning market conditions, needs, and trends.

(f) The planning of a program of agricultural development.

(g) The making of loans whose purpose it will be to assist with the following:

(1) Effective merchandising.

(2) Storage.

(3) Clearing house associations.

(4) The extension of membership in cooperative marketing associations.

(h) The creation of machinery for insuring prices of agricultural commodities.

(i) The organization of stabilized corporations.

3. In dealing with the above we should bear in mind certain essential facts. These may be briefly summarized as follows:

(a) Marketing can not well be detached from production, since quality, quantity, production costs, and location of any agricultural commodity must directly influence the marketing of such commodities. It may be truly said that the last step in production is the first step in marketing.

(b) Any effort to increase the net profits to the producer must reckon with decreasing production costs, increasing market prices, or both.

(c) In some agricultural regions production costs are much higher than they are in others. Hence, the economic fallacy of price fixing.



In the long run the production of agricultural commodities must bear some reasonable relation to national and international economic needs and policies.

(d) It is obvious that the most satisfactory and effective measures for increasing net profits to the producer should be based on more economic production, processing, and marketing rather than on increased costs to the consumer.

(e) Any attempt to reduce production and distribution costs must take into account certain limiting factors whose removal is highly desirable.

(f) These limiting factors are:

(1) Competition, both domestic and foreign, in which lower costs of land, labor, and transportation would unfairly react on the economic and social status of some of our agricultural regions. For this reason it is important that we develop an effective national land utilization policy.

(2) The production costs of any agricultural commodity include the cost of the land, its productive power, and the carrying charges which it must bear, such as taxes, assessments, water rights, etc.

They include the cost of raw materials required for the growing of crops such as seeds, tillage implements, feeding stuffs, fertilizer, lime, shelter for farm animals, mechanical power, etc. In so far as import duties, cooperative buying, the superior or inferior quality of such raw materials have a bearing on production costs, they should be dealt with accordingly.

They include labor costs, the source of labor, its trend, its transfer from one region to another, its housing, its standards of living, etc.

They also included managerial skill and the supply of properly trained men who could deal efficiently with agricultural production problems.

(3) There is convincing evidence at hand that we have come to a point where intensification of production would be economically expedient and desirable. We should aim toward increasing our yields per acre in such fashion as to give to the producers a greater net profit per acre. In trying to attain this purpose we must develop a program that would permit us to remove various limiting factors that are now in the way of higher yield levels. Among these limiting factors there should be included the water resources of our soils, both from the standpoint of under and over supply. They should include soil acidity, the presence of so-called toxic salts or other injurious material, the inadequate supply of organic matter, and the lack of available plant food. This will naturally lead to the consideration of the use of commercial fertilizers from the point of view of their source, composition, costs, and suitability for different crops. It will also lead to the consideration of tillage and tillage implements as means toward higher production levels. It will lead to the consideration of sources of agricultural seeds, their quality, and their significance in any scheme of more intensive production. It will lead to systematic efforts toward improving by selection and breeding the value of our agricultural crops. It will lead to the protection of our crops against insects, plant diseases, and animals.

It is common knowledge that there is much food of inferior quality shipped from our farms. It is also well known that the composition of crops and hence their food or industrial value is affected by the conditions under which they are grown. Keeping and shipping qualities are important factors in determining whether the producer is to receive satisfactory returns on his crop. Hence, organizations of producers should, under the terms of the proposed act, stabilize the quality as well as the marketing of their commodities.

Since the beginning of the present century, much progress has been made in salvaging agricultural products that formerly represented a total waste. Improved methods of processing, including canning, drying, preserving, etc., have enabled agriculture to save tremendous values which are being shared with the consumer. There is much room for further progress in developing the more effective utilization of the products of the soil. It should be remembered, particularly, that our industries will look to agriculture to an increasing extent for raw materials such as starches, fats, celluloses, proteins, organic acids, etc. Hence, any effective agricultural program should leave room for an increasing supply of raw materials for our industries. This will raise the question concerning crop specialization in some areas and crop diversification in other areas. Altogether, therefore, a national agricultural program will need to include adequate local programs and policies.

(g) Efforts to remove the various limiting factors noted above to the end that production may be intensified and the net profits for any given agricultural area increased must be based on the following:

(1) A sound land utilization policy.

(2) The restoring to Federal, State, county, and municipal ownership land areas required for the production of timber, for controlling floods, for protecting potable waters, for playgrounds, game preserves, and game sanctuaries. The Federal and State Governments should outline and carry out a program of reforestation whereby so-called marginal and submarginal land incapable of supporting a prosperous agriculture should be set aside for the production of timber and for the other purposes named above. A program of this nature will not merely

provide for the purposes just indicated, but would also prevent marginal farmers who naturally drift to marginal land to interfere with the proper returns from efficient land farmed by efficient producers.

There are certain areas of land which should be maintained in permanent pasture since their topography is such as to expose them to serious damage by erosion when they are not protected by an adequate plant cover. It will be a fairly simple matter to indicate from the information already at hand what areas in the United States should be reserved for the growing of trees and what areas for the growing of grasses and other forage crops. The development of our livestock industry should then be based on the proposed adjustments in land utilization.

(3) Provision should be made for far-reaching cooperation among regional groups. For instance, the dairy farmers of the Eastern States could contract with livestock farmers in the Middle Western States or some of the far Western States for a supply of dairy animals to serve as replacements in the dairy herds. The same dairymen could contract with grain growers in other regions of the United States to supply them with feeding stuffs for the animals. A group of farmers in one region could contract with a group of farmers in another region to supply them with agricultural seeds, nursery stock, breeding animals, etc.

(4) There is reason to believe that we shall see in the coming years a stronger trend toward the industrialization of agriculture. If such industrialization be effective, it must provide not for the development of corporation farming but for such large-scale production that would permit the investor, the manager, and the laborer to share in the profits derived from the enterprise. Accordingly, the proposed farm board should include in its program one or more large-scale farming enterprises where a suitable beginning may be made in the direction just noted.

(5) On many of our farms the time of the operator, of members of his family, and of his employees is not fully and effectively utilized. Under such conditions the income of the farmer must, of necessity, remain relatively low. It is essential that sound national agricultural programs and policies should be so planned and carried out as to permit the most effective use of the labor resources of our farms. This will include not only human labor but also animal, engine, and electric-motor labor. In some of the European countries the problem has been more or less satisfactorily solved by provision for winter employment in forests or in manufacturing establishments in which sugars, starches, dextrine, organic acids, alcohols, rayon, artificial leather, fertilizers, and other products are manufactured or processed. The program of the proposed farm board should assign an important place to this factor in our future agricultural development.

Mr. GIBSON. Mr. Speaker, it is plain that one of the outstanding features of the agricultural situation is the spread between the price the farmer receives for his crops and the price the consumer pays. This is said to be due to a disorderly marketing system. Out of every \$3 the consumer pays at his door the farmer receives only \$1. Two dollars is used up by the speculator, the middleman, the distributor, and in carrying charges. Our problem, then, is to provide for a marketing system that will cut down the cost of distribution, apply some of the saving to a reduction of cost to the consumer, and add to what the farmer receives. It is proposed by this bill, among other things, to set up an independent board to encourage cooperative marketing, discourage overproduction, and to coordinate and direct the business of farming.

This bill is the nearest approach to an economically sound measure to accomplish the desired result that has been presented. Let us trust that through the natural application of its provisions the farmer may eventually receive more and the consumer pay less. If that be the result, then we have taken one important step in the solution of a problem that has been one of the most troublesome with which Congress has had to deal in a generation.

There are some observations that may well be made so far as New England is concerned. Our people are deeply interested in a right solution of the problem. Our money has been going out into the West and the South by the hundreds of millions to finance the business of farming in those sections. No money has been coming in from other sections to help finance our farmers, save that which has been loaned by the United States Government. The farmers in the sections financed by our money are in direct competition with our own. We have denied to our farmers the lifeblood of industry and at the same time freely extended it to these other farmers, our competitors, who are practically compelling us to buy their products when we should be producing them at home. Vermont people have millions upon millions of dollars invested in the "land of foreclosures" we have heard so much about on the floor of the House. If a small portion of the money we have sent to the West and the South had been put to work at home where foreclosures are seldom heard of, we would have no farm problem in New England.

The reason is obvious. We have natural farming advantages. In no part of the Nation is land more productive. In Vermont,

for instance, we can raise more corn per acre and of greater value than the corn-producing State of Iowa; more wheat per acre and of greater value per acre than the great wheat-producing States of the Northwest; more oats and barley per acre than almost any other State of the country. We have maintained this relative productivity for more than 50 years according to the records. We are near to the consuming markets of the East. Yet our farmers are buying the grains they use of the western farmer, with all of the profits of the middleman, the speculator, the distributor, and carrying charges added. Our farmers should be in a position to raise their own grain from their own lands, free from the intervening profits to others and exorbitant freight rates. We are helping to finance the western farmer, providing a market for his products, and contributing liberally to the income of transportation companies. The burden is too great.

There are some things aside from what is contemplated by this bill that can be done to help our farmers. We are in direct competition with the Canadian farmer, who can produce, pay the present duties, and compete successfully in our markets. Take three of our products for illustration: We can produce cream, maple sugar, and hay in abundance. During the 11-month period of 1928 ending with November 30 there came from Canada through our two Vermont ports of entry alone 1,892,982 gallons of cream, of the value of \$2,773,170; 3,655,220 pounds of maple sugar, of the value of \$583,585; 40,445 tons of hay, of the value of \$345,690. The greater portion of these products should have been produced by the farmers of New England. In my State thousands of acres of hay went unharvested last year because of lack of markets. The rates of duty on each of these products should be increased to cover the difference between the cost of production here and abroad.

Our farm lands are paying more than their fair proportion of local taxes. This burden has been a constantly increasing one and is not based on ability to pay. There never was a time when the farmer was so troubled to meet his taxes as at the present. There should be a more equitable adjustment of the tax burden.

The Federal Government should start a new policy of reclamation for New England, where, according to former Secretary of the Interior Work, several millions of acres of once tilled land have gone back to pasturage. Referring to Vermont, he stated that hundreds of thousands of acres had been lost to agriculture through nonuse. This is the natural result of the investment of our money in the agriculture of other sections.

In commenting on this proposed new policy of reclamation he said:

We must begin again in the East, as did our forefathers, not to conquer the land, wreak a living from it and abandon it but to resume it. Reclamation for a growing nation of 110,000,000 people should from now on include the recapture and restoration of lost soil fertility. Beginning in the East to feed the great cities it has built and spreading west, following the necessity for it. The major portion of the untilled land in the East is susceptible to being reclaimed. Much of it only waits the plow.

The present policy of reclamation is to reclaim limited areas in the West under prescribed regulations. For this work the Government has already advanced \$200,000,000. The proposed new policy will go far to help New England agriculturally. It may be urged that such a policy means an increase in production. If that increased production is at a profit much will be added to the wealth of the communities where the crops are raised and a greater measure of prosperity will result.

The maintenance of our present rural communities and the building up of others is a duty that rests upon us. Rural communities are the strength of America. In this work capital owes just as much of a duty as does the individual. The duty resting on capital should cause its help to be given where it will do the greatest amount of good for the greatest number of people and at the same time be safe. This will encourage a stronger faith in our home business, in our own people, in our home communities.

Some of the remedies referred to must be applied by the local authorities, some by the State and others by the Nation. Give our farm products proper protection, keep sufficient of our money working at home, equalize the burdens of taxation, encourage our farmers to produce grains needed for their own use, establish a new policy of reclamation, and New England agriculture will prosper.

Mr. LUDLOW. Mr. Speaker, it is to me a source of happiness that my very first vote as a Member of Congress should be cast for a measure that is intended to promote the economic freedom and independence of the American farmer.

I was raised on a farm. I am acquainted with 2-shovel plows and stone bruises and husking pegs and boots hardened and creased by the weather until they resemble instruments of torture, and I know the sensation caused when chapped and bleeding hands contact with frozen ears of corn. I know how the farmer suffers by the rigors of winter and the blights of summer; I know how all of the perversities of fate seem at times to conspire to break his spirit; I know how reverses chill his ambition and play on his heartstrings. All of my life I have seen him impaled on the poignant end of economic disadvantages, and God knows I am glad to be to-day in a position to help him.

When it became known that I favored the pending farm relief bill I was beset by crêpe hangers, some of whom said: "You represent an urban district. How does it come that you are interested in this bill?"

The shortsightedness of these friends amazed me. It is true that the seventh Indiana district is nine-tenths urban, but Indianapolis is the capital and center of a great agricultural State. Its prosperity is basically founded on two pillars—agriculture and industry. When the agricultural sections of the State prosper all roads lead to Indianapolis; the farmers throng to the great city to barter and exchange; they patronize its busy marts and fill its financial arteries with the lifeblood of commerce. When depression and despair rule the farms of Indiana, when the specter of want stalks among the waving fields of wheat and corn, this inflow is cut off from the capital city and Indianapolis suffers to the extent it is dependent upon the cultivation of the soil. For this reason, if for no other, as the true representative of Indianapolis, I would be for this bill if there were not a square foot of tillable land in my district.

Then I was told that if I, in my situation, should vote for this bill I might be accused of being a demagogue; that I might be suspected of trying to warm up to the farmers for reasons not wholly benevolent and unselfish. That kind of talk fills me with disgust. What do I care if people accuse me of demagoguery, when it is not true? I have noticed that when public men seek, ever so honestly, to do something for the farmers they are "demagogues," but when they seek to bind and enslave the farmer with the cruel thongs of special privilege they are not demagogues at all. In the latter case I suppose they are patriots.

And then I was advised by some practical politicians that, as a Democrat, I ought to be against this measure because in all probability the scheme embodied in the bill will not work and its unsuccessful operation will cause a revulsion of popular feeling, and I ought to vote against the bill and put myself in a position to profit politically by the rebound. I was stupefied to think that any one would seek to reconcile me to a motive as base as that, and I hope that those who advanced the proposition will some time learn that whether my career as a public servant is to be short or long; whether I ride the waves of popular applause or encounter the storms of obloquy I will be guided always and in all things by my judgment and my conscience.

In certain respects this bill does not meet my expectations. Was this or nothing, and I chose this. I think it could have been improved by incorporating principles of farm relief proposed by some of my Indianapolis constituents, but the door was closed against amendments and we were confronted by the stern reality of accepting this bill or getting no legislation. After years of discussion and agitation a general farm relief bill is about to pass Congress. It is a good start; nothing more. It opens the way to a vast uncharted sea of experimentation, but we have the comforting assurance that it can be made more and more workable and more and more effective in the fullness of time, as experience suggests amendments.

This bill will not accomplish the impossible. There is no magic in its provisions. It contains no mysterious alchemy to transmute the farmer's destitution into gold. It is not an Aladdin's lamp. I think that improvement of agricultural conditions under its operation will come much more slowly than most persons anticipate. The task is gigantic. But that there will be a gradual, steady gain in the farmer's economic position I am convinced. This bill will introduce business methods into the chaos of agriculture. It will help in the creation of orderly marketing processes. It will foster and build up the cooperation that is now so singularly lacking in the agricultural situation of America. Slowly and gradually, but I believe surely, it will reduce the enormous gap between the price the farmer receives for his produce and the price the consumer pays for it in the market places. The upward grade will be taken so slowly that improvement may not be perceptible for months, or even years, but the forces that will be set in motion by this bill will eventu-



ally lift the farmer to heights of living he has not known, and I have faith to believe that under the direction of the business man who is at the head of this Nation the Federal farm board will develop multilateral ways to improve the economic and social position of the farmer.

Nothing would reconcile me to this bill if it were a bureaucratic measure, but it is not. It is the reverse of bureaucracy. The Federal farm board has no coercive powers—not the slightest. It can not turn a wheel in extending aid except on the initiative of the cooperatives, who are the farmers themselves. The motif of the legislation is to foster the cooperative spirit, which is the opposite of bureaucracy. "Farmer owned and farmer controlled" is no myth in this bill. The best legislation that can be devised is the legislation that helps the farmer to help himself, and that is what this bill seeks to do.

The other day I received from Mr. Willis K. Miller, president of the Granite Sand & Gravel Co., of Indianapolis, a poem, which, to my mind, illustrates the farmer's plight to a nicety. I think Mr. Miller picked up the poem somewhere in Kentucky, where poetry is still primitive and poets are concerned more with putting across an idea than they are with the graces of expression. This effusion is entitled "Down On The Farm," and is as follows:

Down on the farm, 'bout half-past 4,  
I slip on my pants and sneak out of the door;  
Out of the yard I run like the dickens  
To milk 10 cows and feed the chickens,  
Clean out the barn, curry Nancy and Jiggs,  
Separate the cream, and slop all the pigs,  
Work two hours, then eat like a Turk,  
And, by heck, I'm ready for a full day's work.

Then I grease the wagon and put on the rack,  
Throw a jug of water in an old grain sack,  
Hitch up the horses, hustle down the lane,  
Must get the hay in, for it looks like rain.  
Look over yonder! Sure as I'm born,  
Cattle on the rampage and cows in the corn!  
Start across the medder, run a mile or two,  
Heaving like I'm wind-broke, get wet clear through.  
Get back to the horses, then for recompense  
Nancy gets straddle the barbed-wire fence,  
Joints all a-aching and muscles in a jerk,  
I'm fit as a fiddle for a full day's work.

Work all summer till winter is nigh,  
Then figure up the books and heave a big sigh.  
Worked all year, didn't make a thing;  
Got less cash now than I had last spring.  
Now, some people tell us that there aint no hell,  
But they never farmed, so they can't tell.  
When spring rolls 'round I take another chance,  
While the fringe grows longer on my old gray pants.  
Give my s'penders a hitch, my belt another jerk,  
And, by heck, I'm ready for a full year's work.

This poem is supposed to be humorous, and to my mind it is more than that—it is exceedingly funny—but, speaking as one who knows from experience, I must say that it covers a mighty lot of pathos.

As I read its lines the mists of years fade away and I can envision once more my boyhood "down on the farm" in Fayette County, Ind. I can see my mother, in calico dress and sun-bonnet, doing any one of a thousand arduous tasks around our cabin home that always had to be done and that never were completed. I can see her in the silent watches of the night as she tucked me in the trundle bed and kissed my tiny wounds to take away the hurt. I can see her working in the garden or over the washtub. Oh, the pioneer mothers of Indiana had nothing in the world to do! They had nothing in the world to do, except to toil and love, and love and toil—God bless their hearts! And I can see my father, in hickory shirt and overalls, working in the clearing, an honest farmer, untutored, uneducated except by his own efforts, but every inch a man, making a man's fight against adversity. I think of my father and my mother sleeping to-day in the soil of Indiana—sleeping side by side—and I almost imagine I can hear their voices, coming to me across the far reaches of the Elysian fields, asking me in their name to do all I can for the farmers of America. Oh, how could any man with a grain of conscience prove false to the teachings of such worthy parents?

So I have no apologies to offer for voting for this nonpartisan bill, which reflects the wisdom of both parties expressed in national convention. By all of the rules of logic and precedence, I should to-day be a farmer, as all of my ancestors clear back, as far as I am aware, to Adam were farmers. I am bone of

their bone and flesh of their flesh and it is one of the greatest joys of my life that in voting for this bill—the first vote cast by me in any legislative assembly—I can pay to them the tribute of my love.

Mr. TILSON. Mr. Speaker, it was my intention to speak briefly on certain features of the farm relief bill while it was under consideration in the House, especially those portions of it that differ materially from the provisions of the bill reported from the Senate Committee on Agriculture. While the bill was being read for amendment, however, the indications were so clear that the House intended to accept the bill substantially as reported from its Committee on Agriculture that it seemed best not to take the time to address the House, but to withhold my remarks and later insert them in the RECORD. I am, therefore, availing myself of the general leave granted by the House to extend in the RECORD a few remarks that I had intended to make and which I trust may still be helpful before the bill has passed the conference stage.

It is difficult to see how anyone specially interested in the welfare of agriculture can oppose the House bill, for whatever the bill may fail to include of those remedies that have been suggested to relieve the farmer, certain it is that everything it proposes to do is, so far as it goes, distinctly for his benefit if he chooses to take advantage of it. Within the sphere it attempts to cover it clearly puts agriculture into a class by itself and seeks to aid it by means not available to other business. Nor is this fact a proper basis for complaint from those engaged in other lines of activity, for there are conditions and circumstances surrounding agriculture that are peculiar to it, which justify special consideration while the importance of the industry in our economic life is such as to entitle it to the most favorable treatment consistent with sound economic laws.

The Federal farm board, made up as provided in the House bill, clothed with large powers, and charged with the responsibility of trying in every reasonable way to help the farmer help himself, should of itself be of great and lasting benefit to agriculture. Other industries have boards or commissions to supervise their activities and, if necessary, hold them in check. Agriculture alone will have one of the strongest boards in all the governmental service as a guide, mentor, backer, and friend to give it a boost at every turn.

In the Senate committee bill the board proposed is a large, unwieldy aggregation based upon regional divisions and restricted in the selection of its personnel; but the provisions of the House bill permit the selection of the very strongest board that can be picked from the entire country, while the provision for selecting, retaining, and paying the chairman practically removes all limits to the President's power in selecting this most important official, which should assure the services of the best man available.

In the case of industries other than agriculture there are restrictions and laws to prevent combining to raise prices. In the bill we are passing farmers are encouraged to combine in order to raise prices, and under the direction of the farm board they are to have funds loaned them in order to make greater and more effective combinations for the express purpose of securing higher prices. Nor is this just ground for complaint, for in my opinion all will be benefited far more by having agriculture prosperous, with food products bringing reasonable and steady prices, than to have extreme fluctuations in prices, which in the end do not benefit the consumer but often injure him, while bringing ruin to the food producer himself.

It is comforting to note that the House bill rigidly refrains from using the term "Federal instrumentality," so that there may be no question in regard to such activities as may be set up under the bill being not governmental agencies but private agencies, organized, owned, controlled, and directed by the farmers themselves. Every precaution should be taken to make it clear that the Government is not projecting itself into business, but is simply lending, among other things, its aid by supplying upon reasonable terms funds which no single individual or ordinary corporation could command.

The House bill studiously avoids all provisions for the purchase of equipment, supplies, and the like. In other words, it is proposed to aid the producer in the more profitable marketing of his product, but does not attempt to go so far as to undertake the purchasing of his supplies.

The House bill contains a wholesome restrictive provision on overproduction, while there appears to be no such restrictive provision in the Senate bill. Unless proper steps are taken to guard against undue overproduction it is as sure to follow price stimulation as the night is to follow the day, and this is especially true of those commodities of which there is usually produced a surplus above domestic market requirements.

The extent to which the farm relief board may go in helping toward orderly and economical marketing is shown in the pro-

vision authorizing loans for the purpose of acquiring facilities and equipment for the handling and storing of agricultural commodities. Of course, such facilities should not be duplicated, and so in the House bill there are proper restrictions forbidding loans where there are available adequate facilities to be had at reasonable rates. The safeguards contained in the House bill in this connection seem to be ample and should be retained in the law in its final form. In the House bill loans for the construction of processing facilities are not contemplated, and it is not believed that loans for such purposes should be permitted.

The definition of "cooperative association" as used in paragraph D of section 14 of the Senate bill seems to be entirely too sweeping. The language of the House bill on this subject is much better, entirely sufficient, and should be retained in the bill.

I have referred to these differences between the Senate committee bill and the House bill because it is very important that the greatest possible care should be exercised in the construction of a bill of this character and because a careful comparison of the two bills will show that on the whole the House bill is more carefully drawn and far better safeguarded than the other.

The one principal difference, however, between the House bill and the Senate bill is in the export debenture feature of the Senate bill. Whatever efforts may be made to disguise the intent and purpose of this feature it seems clear to me that stripped of all nonessentials it amounts to a direct subsidy to producers of food products shipped abroad, and would necessarily result, first, in furnishing food to foreigners at a cheaper rate than it is supplied to domestic users; and, second, that it would inevitably tend to stimulate overproduction in those very lines in which there is already an embarrassing surplus.

I repeat that the purpose and effect of the legislation we are passing is to give the food producer a preferred status in many respects, and I reiterate that in my judgment, so far as it can be done without entering upon a scheme of governmental price fixing, bonuses, or subsidies, it is a proper purpose, and will be useful legislation. Under it the food producer is left free as the producer in every other branch of industry is left free to conduct his own business, to make such successes and such failures as his ability and good fortune, or his lack of ability and misfortune may bring to him. He will have the advantage of a very helpful board to advise and with ample funds to help him at least to a limited extent; but after all, the responsibility remains individual. If in the face of indicated overproduction he should be so unwise as to increase his acreage and thus further unduly augment overproduction, he must be left to suffer the consequences of his poor judgment, just as the producer of a manufactured article who would continue to produce in increased quantities without regard to his market, must suffer.

The far-seeing farmer with independence will see in the bill we are passing encouragement and hope. I believe that under its provisions he will receive great and lasting benefit, but he will not find in it any provision that will either take away his liberty of action or protect him from his own mistake, folly, or misfortune. On the other hand, there is nothing in the bill that will limit in any way the success that may properly come to him through honest effort properly, wisely, and fortunately directed.

The present bill is the culmination of years of effort to find through the means of legislation some way to help agriculture which has had more than its share of difficulty in readjusting itself after the dislocations caused by the war. There are those who would do nothing whatever because they are unable to secure the adoption of their proposals for relief in toto. Others would do nothing under any circumstances lest perchance some slight disadvantage might come to those they specially represent. I am glad that there is ample middle ground and that the very decided majority of this House are disposed to stand upon this ground. Abandoning extreme positions on either side we are now disposed to travel the same road at least as far as we are substantially agreed. We trust that the bill passed by the House may prove to be acceptable at the other end of the Capitol, and that it will soon become the law of the land. I believe that much of good will flow from such a measure, and that other lines of industry will be able to rejoice with agriculture through a long period of increasing prosperity.

Mr. BEERS. Mr. Speaker, upon this special session of Congress, now assembled in compliance with the call of the President of the United States, devolves the duty of Congress to pass legislation to better the farmers' condition. Congress has passed several bills to help the farmer—the Federal farm loan bank, the Federal land bank, the cooperative marketing act, Federal aid for roads, and the protective tariff on farm products. All of these measures have been helpful to the farmer, but the farmer needs other relief, which I hope Congress can

give. For many years agriculture has been at a low ebb. A general depression in this line of industry has caused great hardship. Prices have been inadequate, and farm mortgages have been foreclosed. The farmer has waited long and patiently for some assistance through the enactment of legislation that will attempt to do for him what it has done for other industries. I favor the passage of farm bill H. R. 1 because I hope it will place the industry of agriculture on a basis of economic equality with other industries, because I am confident that the President of the United States, Mr. Hoover, will give to the agricultural interests a board, not only capable of filling the job, but one that will be deeply interested in, and sympathetic to, agriculture. The all-important thing is that our Federal farm board should be composed of men of character, and outstanding qualifications, men who possess sympathy and understanding of the practical problems of agriculture. I am not one who believes that this bill will cure all the ills of the farmer, but I do believe that it is the beginning of substantial legislation in the interest of the farmer, and that its actual operation will demonstrate its helpfulness as well as its shortcoming.

The farmer is the victim of unfortunate circumstances over which he at present has no control. One of his problems has been that of overproduction, or surplus. This bill aims at controlling or limiting the exportable surplus and the maintenance of reasonable prices for farm commodities in this country. When the farmer has anything to sell, he accepts whatever price the purchaser chooses to offer him. When he has something to buy he pays whatever price the merchant asks for the article. The farmer has absolutely no voice in price-fixing on articles produced, consumed, or used. For his labor he pays twice as much as in pre-war times, his machinery double the price, his fertilizer 70 to 80 per cent, while he receives for the major part of his crops about 30 to 35 per cent advance. I support the present bill, as I believe it will give the farmer a chance to bargain on the market for the disposal of his own product; that it will give to him economical methods in distribution that will afford him protection against unequal competition that will tend to reduce the cost of production through education and information; but the outstanding feature in this bill to me is that the virtue of the bill lies in the fact that it stimulates personal endeavor and initiative on the part of the farmer himself. The cooperative and stabilization organizations are created and administered by the farmer, and upon the loyalty and cooperation that he puts into these agencies depends the success of the whole project and plan. The President recommends "adjustments in tariff schedules so that American farmers will be properly protected against foreign competition through the instrumentality of import duties." In my own State, Pennsylvania, the farmers are developing a large dairy industry, and, as a farmer and dairyman, I have made a study of conditions that will better take care of the dairy industry and see the great need of a higher protective tariff on all farm commodities, but especially on milk and other dairy products. I am convinced that no permanent farm relief can be secured and maintained without such import duties as will reserve the domestic market for our agricultural producers. The heavy burden of the farmer seems to be the continual increase of taxation. Many good farms have been mortgaged and sold for their taxes. I favor lower taxation by assessment. I feel our assessors and commissioners should exercise every possible care in not placing too high a valuation upon farm properties during the time of agricultural depression. Another means of help to the farmer that I have always advocated is more hard-surfaced roads, to get the farmer out of the mud. Now that we have our main highways, we should encourage the building of roads to the rural sections, thus giving the farmers an easier way to market their products.

I wish further to call attention to the fact that the House farm bill is the embodiment of a plan approved by President Hoover and advocated by him. I firmly believe that with the passage of this bill and the cooperation and support of the farmer in helping to carry out its program that it will be the beginning of a brighter and more prosperous day for the American farmer.

Mr. COCHRAN of Missouri. Mr. Speaker, although it was the President's expressed desire that the farm problem be removed from the field of politics into the realm of economics we find the farm bloc working as it never worked before to pass a measure labeled farm relief, which will neither relieve the farmer nor solve the question in the opinion of many of its supporters. I have talked with a score of Members who are supporting the bill who express the opinion privately that the measure is not sound, will not cure the farmer's ills, but on the other hand might work to his disadvantage. How many more who share the same opinion but who supported the measure I



do not know. In the case of the individuals referred to they are voting for votes rather than in the interests of the farmer. So the question remains in politics.

I want to commend my colleagues from Missouri, Representatives CLARENCE CANNON, RALPH LOZIER, WILLIAM NELSON, and MILTON ROMJUE, all real friends of the farmer, who not only opposed the measure in debate but who followed their convictions and declined to support the bill on the final roll call. No more staunch friends of the farmer can be found in the Congress. They have been fighting his battles for years and each represents a farming constituency.

Millions of dollars have been used by propagandists in circulating literature both for and against the bill. Our desks have been covered by such mail for months, in fact since the election. Hundreds of personal letters have been received. I was most impressed by the contents of a letter I received from a well-known resident of my city, a personal friend, a great student of economics, who referred to the bill as follows:

Another board and innovations of such tremendous far-reaching proportions that no one may dare to prophesy what the ultimate results may be. I do feel, however, as if Thomas Jefferson might arise from his tomb and proclaim his opposition to a measure so much like the ones which the economic school, to which he adhered, opposed.

A successful Kansas farmer, the owner of four fine farms—I have visited them—wrote me the other day that the only thing that ailed the farmer was the money they obtain for their wares did not purchase as much as their money did before the war. This is the crux of the situation, and the farm board will not be able to change those conditions, since international affairs, markets, and prices complicate them. The very fact that one and the same congressional session is to enact the farm relief bill and increase the tariff on any number of articles is ridiculous and a promise of making matters worse confused. It is the masses, including the farmers, who must pay higher prices for overprotected goods.

In my estimation the present session of Congress is of momentous importance, no matter what it may accomplish or neglect to accomplish. Its task is one of great responsibility and fraught with dangers of far-reaching consequences. I do hope that Democratic leadership may be at its best, of penetrating intuition, farseeing and courageous. The attitude in this crisis will, I believe, help to decide the future of the party.

I sincerely hope that Democrats will accept this opportunity to demonstrate to the country the fallacy of the Republican position. While the setting forth of correct principles may not be of immediate help to the party, the day can not be so very far away when the people will realize that the Republican Party has primarily fostered the interests of the financial classes.

If the Democrats do not make a firm stand and declare for sound principles the advent of a third party, liberal and radical, will not be far distant.

This comes from the pen of a man who has devoted the greater part of his life in behalf of the masses and those in distress.

Mr. Speaker, during general debate several Members stated that the bill would not only increase the price to the producer, but it would also decrease the price to the ultimate consumer. When asked for an explanation each speaker stated it would be fully explained when the bill was under the five-minute rule. When that time arrived I asked for the information, but, although the Members making the statement were on the floor, they failed to respond. I concluded that this was but one of the many extraordinary claims made for the bill which could not be explained.

I fully realize the situation of the farmer and would like to assist him. I speak now of the real farmer, the men—and women, if you please—who till the soil from sunup to sundown, and not the farm land speculators who have made tenant farmers out of farm owners.

Congress, if this bill finally becomes a law, makes itself a solicitor for cooperative associations by providing that no one can receive any benefits under the bill unless he is a member of a cooperative association. Its ultimate goal is to organize the farmers of the country. We are told there are 6,500,000 farmers in the United States. Those who supported such a plan will live to regret their action. But a few years will be needed to verify this prediction.

I asked several Members what this bill would do to help the tenant farmer, the farmers who had lost their farms through foreclosure. I told of certain conditions I found in Missouri. Tenant farmers are required, in order to exist, to mortgage their crops when they are placed in the ground. The loans are always made subject to call. When the crop is available the speculator calls in the loan. Regardless of the market the

farmer must sell or turn over his crop to the one holding the mortgage.

A man owning 8,000 acres of ground in Missouri, Arkansas, and Mississippi told me last month of his experience. He has tenant farmers, receives one-third of the corn crop and one-fourth of the cotton crop. Last fall he said his tenant farmers who raised corn and who mortgaged their crop, all of them did, were forced to dispose of their share, when the loan was called, for 45 cents a bushel. He placed his one-third share in storage held it three months, and received \$1.05 a bushel. Thus you see the farm-land speculator received over twice the amount the actual producer received. No one was able to tell me how this class of farmers, and it is a very large class, will be benefited by this legislation. Even if they belong to a cooperative, they can not borrow money until they have turned over their crops. How are they to live until that time? They will be required to borrow when the crops are planted, as they have in the past, and sell when the loan is called. The speculator will be a member of the cooperative associations and he and not the actual producer will get the benefits, if any benefits are to accrue from this act.

Whenever a hypothetical question was asked sponsors of the bill the same reply was always received, "We leave that to the board to work out." The board is provided with \$500,000,000 to carry out the provisions of the act. The President is given power to appoint a chairman and name any salary he desires. I agree that this is going to be a real man's job, and most liberal provisions should be made for the salary of the chairman, but Congress should never surrender the right to name the salary. Make it as high as you like, but by all means place the maximum figure in the law. If you do not, you establish a precedent that will return to plague you at a later date.

I am of the opinion that the first step to help the farmer that should be taken is the appropriation of a most reasonable sum to be used in finding additional uses for agricultural commodities, especially that which is now allowed to go to waste.

Scientists have found ways to eliminate man power in industrial plants; have made millions for the manufacturing interests. Chemists have made wonderful progress in recent years, but the incentive to devote their time to devising ways and means to benefit agriculture by developing methods for further use of its commodities has not been sufficient to warrant them devoting any amount of time to this great problem.

Provide sufficient funds to employ the best the country affords, and put them to work in this direction at once.

I have always contended that the passage of the eighteenth amendment and the Volstead Act deprived the farmer of a market of hundreds of millions of bushels of grain he had theretofore enjoyed. The farmers' present condition dates not prior to but subsequent to the enactment of prohibition.

When an attempt was made to amend the bill so as to provide that the board would have the power under the section relating to developing by-products and authorizing new uses of agricultural commodities by inserting "the provisions of any existing law to the contrary notwithstanding," what did the "friends" of the farmer do? They promptly opposed it and the amendment was subject to the steam-roller tactics adopted by the farm bloc, which resulted in all amendments being defeated.

This amendment simply provided that if in the opinion of the board it would be beneficial to the farmer to permit the manufacture of cereal beverages up to a per cent not in violation of the eighteenth amendment it would have the power to authorize the manufacture of beer and wines from fruit, the Volstead Act notwithstanding. The adoption of such a plan would not only result in the surplus being greatly reduced but it would result in the farmers going back to raising barley, rice, hops, and so forth, which they abandoned after the advent of prohibition and took to the raising of wheat, increasing the supply and naturally the surplus. The adoption of this plan would further do more toward solving the law-enforcement problem than any other suggestion that could be made.

Provisions could be made to place a tax on the manufacture of such products that would bring into the Treasury nearly a billion dollars a year. Who would be the loser? No one but the bootleggers of the country. Further, it would help the unemployment situation in the cities, thus placing in the hands of the consumers of agricultural products money to purchase the necessities of life.

The sooner that the friends of the farmer come to the conclusion that the farmer's condition is related to prohibition the better off the farmer as well as the people of the entire country will be. It is in the main the Representatives of the farmers in Congress who are responsible for the eighteenth amendment and the Volstead law. Now these same Representatives seek to

find a market for the surplus which they destroyed when they voted for prohibition.

The farmer should understand that if he desires prohibition he can have it through local option, without advocating the continuance of laws which make the entire country dry.

The farmer can point to no legislation fostered by residents of or Representatives of the urban districts that has interfered with his welfare or happiness.

Much as I desired to see legislation that would benefit the farmer enacted at this special session, I am unable to bring myself to the conclusion that this measure will solve the problem, but on the other hand it appears to me it will further complicate matters. It is another noble experiment, and as usual the people will foot the bill. This time the amount is \$500,000,000.

Mr. HOPKINS. Mr. Speaker, the district which I have the honor to represent comprises one of the most diversified agricultural sections of the great Middle West. Our farmers produce great crops of wheat, corn, and other grains, as well as livestock of all descriptions. St. Joseph, the largest city in the district, has the fifth largest cattle market and the ninth largest grain market in the United States. Also within this same district is located the greatest burley tobacco market lying west of the Mississippi. The continued welfare of every industry in this section of the State depends upon the future economic conditions of the farmers of the district. Needless to say, these people are watching with great interest the debate that is going on here in regard to this farm bill.

There are those here who oppose this bill on the grounds that it is not perfect and will not correct at once all of the distressed conditions of agriculture. They oppose the entire bill because a few minor features do not harmonize with their own personal opinions in regard to some measures. In criticizing what they believe to be its weak points they lose sight of its strong underlying, fundamental principles. No doubt the bill is not exactly what each of us individually would prefer; no doubt Representatives from different sections of the country could draw up bills that would be of greater benefit to their own communities; no doubt better bills could be written for cattle-men, wheat, corn, tobacco, or cotton growers as separate industries; but this bill must harmonize the interests of all groups, of all sections of this great country and be administered for the greatest good for the greatest number. It, therefore, must be a compromise measure.

Of necessity, the step we are about to take, and which I hope we will take, must be somewhat experimental. We are entering virgin territory in agricultural legislation. As yet we have little in the light of past experience to guide us. Yet, would the gentlemen urge that we do nothing for fear of making some slight mistake?

The same arguments that are being brought against this Federal farm board bill were brought against the Federal reserve system and its board, the Interstate Commerce Commission, and various other Federal boards created to aid the industries of our Nation. Were these now powerful boards perfect at their inception? Admittedly not. They still are not perfect. Changes and corrections are being made constantly. Yet would any of the gentlemen urge that the bankers and business men of this country have not been greatly benefited by the Federal Reserve Board?

The railroads of this country have rendered a tremendous service to its upbuilding. Any sane-minded man knows the great contributions they have made. Let me ask you what would have happened to the railroads of this country, with their tremendous investments, had it not been for the help of a very friendly "railroad-minded" Interstate Commerce Commission? We have created here a board with the power and the disposition to protect the railroads at almost any cost. Having created these powerful and effective boards to protect and improve the conditions of business and industry in this country, is not it only fair that we do the same for agriculture? Where else will we find an industry representing nearly 6,000,000 families?

This bill will not solve all the problems of the farmer. Legislation of any kind can not cure all of these ills. It has been said here that the American farmer will be deeply incensed when he realizes that this bill will not take care of all his troubles. Those who say that do not know the middle-western farmer.

On the whole the farmer is possessed with far-above-average common sense and is probably better posted about his job than those engaged in other vocations. He knows that if given an even break with other industries he still must use his entire energies in order to succeed. The farmer is not asking to be given something for nothing. Neither is he expecting "Aladdin-like" legislation to suddenly make him prosperous. He is will-

ing to go along with us and try out some experiment in farm legislation. We will find where we have made errors. We must then make corrections. But let us not simply stand aside and criticize and deride and do nothing. We must start and let experience be our guide and from its lessons mend our imperfect plans.

#### TARIFF FOR AGRICULTURE

This bill alone does not offer the only remedial agricultural legislation that Congress can pass to aid the farmer. In a few days we will have under consideration the tariff bill. We have pledged ourselves to the people of this great country that we will extend the protective tariff to more completely cover farm products. This must be done, but we must guard against general tariff changes that might offset the gains that would otherwise accrue to agriculture. Increases in tariffs that would not improve conditions of labor and would increase the costs of goods purchased by the farmer must be guarded against.

#### COSTS OF TRANSPORTATION TOO HIGH

It has long been my firm belief that one of the most effective "reliefs" that could come to the farmers of the great Middle West would be a reduction in transportation costs. One ton of freight can be shipped from New York to San Francisco for about half of what the same ton could be shipped from a point in Missouri to the same place. The Panama Canal was built at the expense of all the people of the United States, yet it was one of the contributing causes of a great part of the increase in costs of transportation to the farmers and business men living in the Central West. Whenever protests are made to the Interstate Commerce Commission the explanation is that rates in the Middle West, where there is no water transportation, must be high in order that lower rates may be charged where the railroads must meet cheap waterway freight costs. This may be necessary, but it is hard to see why the farming sections of our country must be made the goat for the welfare of other sections and other industries.

Our President has recommended rapid development of inland waterway transportation. When he was acting as Secretary of Commerce he estimated that water transportation would mean a real cut in the costs of production and would save the farmers many thousands of dollars. It costs less than one-third as much per ton to ship by water as our farmers are now paying for rail transportation. In many cases the water rates are as low as one-tenth of the rail rates.

The upper Missouri River penetrates the most stricken agricultural sections of our country. Therefore let us hasten in its improvement. The great wheat belts of Missouri, Kansas, Nebraska, Iowa, and the Dakotas would be greatly benefited by the opening of barge service at a very early date connecting the Mississippi and Missouri to a point as far up as St. Joseph or Omaha. This should be done by 1931 or 1932.

Mr. ROBINSON of Iowa. Mr. Speaker and my colleagues, there was a time, not so long distant, when a considerable number of people living in the prosperous industrial sections of our country failed to see the problems of agriculture and to understand that the question of farm relief was a very vital one, not only to the producer of farm products but also to the consumers and to our entire Nation.

In his recent statement before the House Agricultural Committee the Secretary of Agriculture, Hon. Arthur M. Hyde, said:

The necessity for farm relief is no longer debatable; eight years have unified public opinion to a complete conviction of its necessity. The fact is frankly recognized that agriculture is not in the position of equality of other pursuits. This fact presents its own challenge to all of us that we do all we can, sanely and constructively, to reestablish for agriculture an equality of opportunity and open the way to the same standards of living that we are enjoying by industry.

My home is in a section of our country that seems to have been designed by the Almighty Father as the garden of America, where conditions of soil, of climate, of sunshine, and rain are especially adapted to the producing of the grains and meats that feed the human race, and where in the days gone by men thus employed have prospered and poor men have become home owners, but suddenly this good condition changes and men can no longer dispose of the products of their farms at prices that will pay the increased cost of production—taxes and other necessary charges—but find themselves gradually and surely losing the savings of years in an attempt to keep the farm prosperous as it was in the days that have passed.

No man who has not lived by the labor of his hands; no woman who has not worked and sewed and saved in never-ending economy can perhaps quite understand what this condition means.

As a nation we believe in fair play. We have regard, generally speaking, for the rights of each other, and when the people as a whole come to know that any great industry, busi-



ness, profession, or section of our country is being treated unfairly, is not receiving its fair share of the reward that comes from honest effort, immediately there is a desire to correct the wrongful condition.

If this be true of the average business or vocation, how much more should it be true when it applies to agriculture, the one vocation all-essential to our existence; and it is this general acceptance and understanding of a condition that needs righting that brings us together at this time and has in it the promise of success. We want to pass legislation that will make possible a return of agricultural prosperity. How can it be done?

Careful study of agricultural conditions develops the fact that the problem is not one but many, and the further thought that legislation to meet these problems can hardly be expected in its entirety, but must of necessity be commenced and then added to and perfected as developments and experience warrant.

We have also to keep in mind that in the solution of these problems we are legislating for a very large country, whose interests in different parts are not always exactly the same.

I am one of those who supported the McNary-Haugen bill gladly and willingly, believing that it was workable, that it was fair to all our people, that it was worthy of a trial, that the equalization fee was not a tax but an expense of marketing, that it charged back to the producer of the commodity directly benefited the cost of bringing about the benefit; therefore it was a good method of preventing excessive overproduction, because in so charging back to the producer of each commodity the loss caused by the sale of any large surplus in a reduced foreign market it thus appealed to his selfish business sense. Consequently the producer would see the mistake of large overproduction and avoid it. But it is not now before us. A large section of our country and a good many of our public men regard it as unwise, so we must try some other plan.

What has been, what is now our trouble? The price of our products at the farm does not sustain a fair relation to the cost of their production. Cost of production of our farm products has increased largely. Price of the product has not increased in proportion. The result has been failure and disaster in many cases, and one of the most unfortunate results has been the turning of many of our young, vigorous folks from the farm to the shorter hours of labor and better pay of industrial pursuits, which has lessened the desire for the ownership of farm homes, and as a consequence lessened the demand for farm land at a time when buyers are needed. Time was when everybody desired to own a good farm and took pleasure and delight in improving and making it better, and when an Iowa farm offered for sale at its fair value quickly found a purchaser. I hope this condition will come again and that our people will invest in farm land, rather than in stocks at inflated values.

What does the bill we are now considering do?

First. It declares the purpose of the bill to be "economic equality of agriculture with industry," and its policy to be:

The aiding in preventing and controlling surpluses in any agricultural commodity, through orderly production and distribution, so as to maintain advantageous domestic markets and prevent such surpluses from unduly depressing prices for the commodity. The Federal farm board shall execute the powers vested in it by this act only in such manner as will, in the judgment of the board, aid to the fullest practicable extent in carrying out the policy above declared.

If advantageous domestic markets are to be maintained, and if exportable surpluses are prevented from unduly depressing the prices of any farm commodity, then the exportable surplus must be so segregated and taken out of our domestic markets that domestic selling prices may be above the world level of selling prices.

Crop surpluses without an adequate world market price have been the principal cause of price depression in our home market. A large surplus uncontrolled is certain to be harmful, while a moderate surplus controlled by a strong Federal farm board is a safeguard and under certain conditions may become a real benefit.

Second. It creates a Federal farm board of six members, one of whom shall be chairman and the Secretary of Agriculture, member ex officio. This board to be named by the President to serve six years, except the chairman, who holds office at the pleasure of the President, and whose salary shall be fixed by him, it evidently being the intent to place on the President the responsibility of naming a very able board and to secure for chairman the most capable man for the job that can be found.

The success of this law will depend largely upon the men constituting this board. It is the important part of the law. The members of this board must have knowledge of agriculture and marketing. They must be men of rare good judgment and of great integrity and character. They must have vision to see the rights and the possibilities of agriculture. It is in-

tended by this measure to give to this board general authority to do the things found necessary and sufficient resources to make its action effective.

With the information at its command, with the facilities available, with its financial resources, with the broad powers given to it, this board should be able to influence helpfully in all such matters as—

- (a) Production, quantity, and kind.
- (b) Transportation of products.
- (c) Manufacturing or processing. ✓
- (d) Marketing.

Third. It authorizes the appropriation of a revolving fund of \$500,000,000 for loans and advances to agricultural organizations to work out the purposes and policies of the Federal farm board.

Fourth. Provides for financing of stabilization corporations, to act as marketing agencies, and thus secure for the producer a fair price at the time he desires to market his product and overcome the depressed price that seasonal marketing too often causes.

Fifth. This is primarily a marketing bill, but in addition to its responsibilities along marketing lines the Federal farm board is given a wide general power and responsibility. Among its duties are: Giving to the producer intelligent advice regarding world crops and conditions, suggestions as to the crops that are needed and those in which there may be a surplus production, to encourage the development of cooperation among producers, and the organization of efficient cooperative associations.

What is it that agriculture wants? Perhaps I should state the question this way: What is it that agriculture needs? and I think the answer would come quickly. We want just the same opportunity to make a success of our business that industry now enjoys.

First. Our home market for the home producer—protected against the importation of similar products or substitutes by the necessary tariff rates.

Second. A marketing system that will enable the producer to control any surplus that may be produced so it will not lower the home-market price.

Third. Advice, information, and financial assistance through a Federal farm board, to whom shall be given power and resources sufficient to accomplish its purpose.

I can see a great many ways in which a Federal farm board can make itself of large benefit to agriculture. We have a right to expect that the board will be constantly looking for opportunities for usefulness. One thing leads to another. One helpful activity opens the way for more. It will be the lifework of this board to seek to be helpful to agriculture.

We believe that our farmers are entitled to assistance and that it can be given to them without upsetting or harming our other industries, that the problem is largely one of marketing the farm products.

It seems perfectly obvious that with millions of farmers, each of whose business is relatively small, each one can not have a selling or marketing organization of his own. The consumer could not afford the cost.

Therefore, it must be conceded that the problems of overproduction, distribution of product, and the price of it, are beyond the power of the individual farmer to control—hence his need of cooperation and the Federal farm board.

The farmers of the United States are really just a large number of manufacturers of farm products with a combined productive capacity that is very great. They manufacture their products without any orders obtained in advance from their consuming customers or any definite arrangement as to the quantity required or the price that will be paid therefor. Is it strange that farmers have difficulty to sell their products at the price they should receive when they produce more than the home market needs?

Imagine any large industrial factory manufacturing millions of dollars' worth of its products with no advance orders and then going around to the retail dealers and asking them to buy at cost of production plus a fair profit what had already been manufactured and must be sold to provide funds for continued operation. What would happen to the price if there was more of that product in the country than it needed. Would that factory be doing business very long if it did not have a method of taking the surplus from the home market? Would we not say that the factory needs a different and a better marketing system? Surely, it can be truly said of agriculture, it needs a marketing system that will give more attention to the needs of the producer.

This bill, as I understand it, attempts through its Federal farm board and the assistance given to cooperation to provide a better market and a better marketing system. Cost plus a reasonable profit must be a fair standard.

We should make farming a business that will attract and hold our enterprising successful young men to the same extent that other business now attracts them.

The present net income for farmers and the return on the investment in farm lands and their operation is below a fair point as compared with other business.

Farming is a business and can not be conducted in a happy-go-lucky manner. It requires economic and intelligent management. Its output must be reasonably certain and its income sufficient to meet the cost of production, and there should be some profit above the cost of production or our young people will not continue in the business.

One of the most harmful things in connection with the business of farming is the price fluctuation during the time of marketing the year's production. When we once know the extent of the crop produced we know its approximate value, and a few bushels more, or a few hogs or cattle more than were expected should not be permitted to unduly lower the price. The Federal farm board will be of great help in controlling this condition. Our party platform states it this way:

The Republican Party pledges itself to the enactment of legislation creating a Federal farm board clothed with the necessary powers to promote the establishment of a farm marketing system of farmer owned and controlled stabilization corporations or associations to prevent and control surpluses through orderly distribution.

The program of helpful farm legislation does not close with this bill. This is not the complete farm program but rather it is only a good beginning.

This Congress fully realizes that the food producer is entitled to adequate protection under our tariff system and proposes to give it to him. The production cost of farm products is larger in this country than in any other country that produces a surplus of them. Import duties on agricultural products which we produce should be increased to a point that gives the home market to the home producer. This is what the last Republican national platform said:

A protective tariff is as vital to American agriculture as it is to American manufacturing. The Republican Party believe that the home market, built up under the protective policy, belongs to the American farmer and it pledges its support of legislation which will give this market to him to the full extent of his ability to supply it.

The only logical reason for a protective tariff is to keep lower-priced products of foreign countries from entering the United States to the detriment of agriculture, labor, and industry. Having accomplished that, the result must necessarily be that on these protected commodities we are above an export basis.

The protective system has had a very wonderful part in the prosperity of our people. It must now be extended to include agriculture more completely than heretofore—and I believe the present Congress is planning to do this very thing.

Transportation is a very vital factor to us of the Middle West. The use of the great Mississippi River and its tributaries as a means of much cheaper transportation for our heavy, bulky products, in which quick time of delivery is not the most essential thing, has in it great possibilities and it is coming.

We must relieve the present "shut in" condition of the Mississippi Valley. The interior must have an outlet by water transportation for its products to equalize to some extent what the Panama Canal has done for the coast.

The profitable use of what has been the minor or near waste products of the farm, such as straw, cornstalks, and similar products seems to be coming soon.

The discontinuance of the reclamation of large areas of non-productive land at public expense until we need additional production is rightly growing in favor.

Our national credit should be used to bring to the individual farm-home owner a lower rate of interest than he is now paying. We should do everything possible to assist the independent, individual farmer in the management and ownership of his own farm home. The committee report on the bill well says:

We feel very strongly that the United States both wants and needs an agriculture based upon small farms, independently managed so far as possible by their owners.

To correct present inequalities we must have real legislation. Paper umbrellas are said to be all right until it rains. We do not want any "paper umbrella" legislation for agriculture at this time, for it has been standing out in the rain too long already. Further delay would be unpardonable. The time has come to act.

The food supply of a nation sustains a more vital relation to it than does anything else, and its producers have some claim to preferential treatment if necessary.

I do not know just how much this bill will do for agriculture nor how completely it will make possible the solution of our problems, but I do believe it will help. It is traveling in the right direction—that of attempting to bring to the producer a higher net return for his labor and investment.

This bill provides for the appointment of a farm board with a lot of authority and a lot of money to use. Everything depends upon this board. I believe that President Hoover will appoint men to this board who understand the agricultural situation. Men of keen vision, of great good judgment, men who realize how very much of human happiness and content are involved in making the business of agriculture a complete success, and if, as no doubt will be true, this board finds from its experience in working out the intent of this bill that amendments and changes and additions to it are needed they will be in a position to present their viewpoint and recommendations to the Congress and secure the legislation that experience will show to be wise.

The present bill does not go as far in its control of the marketing of farm surpluses as I would desire, but it is a good start. It may not prove to be all we need, but it is something on which to build. For some years we have been demanding more and getting less.

I accept and support it as the best that we can now secure, in the hope and belief that in the future Congress will supply anything that may be found to be lacking in the present bill, and that the future of agriculture and the independent individual farmer will be assured.

#### ADJOURNMENT

Mr. WILLIAMS of Illinois. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 23 minutes p. m.) the House adjourned until to-morrow, Friday, April 26, 1929, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

4. Under clause 2 of Rule XXIV, a letter from the Comptroller General of the United States, transmitting supplemental report with reference to the claims of Mrs. Sarah E. Edge and Mrs. W. M. Kittle, with copies of bills providing for their relief, entitled "An act to provide relief for the victims of the airplane accident at Langin Field, W. Va., was taken from the Speaker's table and referred to the Committee on Claims.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARENTZ: A bill (H. R. 2013) to include certain lands in the counties of Lincoln, Nye, and White Pine, Nev., in the Nevada National Forest, Nev., and for other purposes; to the Committee on the Public Lands.

By Mr. BANKHEAD: A bill (H. R. 2014) to provide that the United States shall cooperate with the States in promoting the health of the rural population of the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CROSS: A bill (H. R. 2015) to provide for research work in connection with the industrial utilization of waste products from the land; to the Committee on Agriculture.

By Mr. HILL of Washington: A bill (H. R. 2016) authorizing the Lower Spokane and the Lower Pend d'Oreille or Lower Calispell Tribes or Bands of Indians of the State of Washington, or any of them, to present their claims to the Court of Claims; to the Committee on Indian Affairs.

By Mr. JAMES: A bill (H. R. 2017) prescribing the Army ration; to the Committee on Military Affairs.

By Mr. SUTHERLAND: A bill (H. R. 2018) to amend section 7 of "An act making further provision for a civil government for Alaska, and for other purposes," as amended, section 106, title 48, United States Code; to the Committee on the Judiciary.

By Mr. MOONEY: A bill (H. R. 2019) to amend section 11 of the immigration act of 1924, as amended; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 2020) to amend section (a) of Public Law No. 1018, Seventieth Congress; to the Committee on Immigration and Naturalization.

By Mr. SWING: A bill (H. R. 2021) to authorize the establishment of boundary lines for the March Field Military Reservation, Calif.; to the Committee on Military Affairs.



By Mr. GOLDSBOROUGH: A bill (H. R. 2022) providing for the establishment and operation of a Weather Bureau station within the first congressional district of Maryland; to the Committee on Agriculture.

Also, a bill (H. R. 2023) to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920; to the Committee on the Civil Service.

By Mr. COLLINS: A bill (H. R. 2024) to provide for the establishment of a branch home of the National Home for Disabled Volunteer Soldiers in the State of Mississippi; to the Committee on Military Affairs.

By Mr. FISHER: A bill (H. R. 2025) to authorize services of skilled draftsmen, civil engineers, and other services in the office of the Chief of Engineers; to the Committee on Military Affairs.

By Mrs. KAHN: A bill (H. R. 2026) providing retirement for persons who hold licenses as navigators or engineers who have reached the age of 64 years and who have served 25 or more years on seagoing vessels of the Army Transport Service; to the Committee on Military Affairs.

By Mr. McFADDEN: A bill (H. R. 2027) to amend section 9 of the Federal reserve act as amended; to the Committee on Banking and Currency.

By Mr. SIMMONS: A bill (H. R. 2028) to provide for the appointment of the recorder of deeds of the District of Columbia by the commissioners of said District, and for other purposes; to the Committee on the District of Columbia.

By Mr. HUDSPETH: A bill (H. R. 2029) to authorize the coinage of silver 50-cent pieces in commemoration of the seventy-fifth anniversary of the Gadsden purchase; to the Committee on Coinage, Weights, and Measures.

Also, a bill (H. R. 2030) to authorize an appropriation for the purchase of land adjoining Fort Bliss, Tex.; to the Committee on Military Affairs.

Also, a bill (H. R. 2031) providing for half holidays for Government employees; to the Committee on the Civil Service.

Also, a bill (H. R. 2032) to increase the minimum salary of deputy United States marshals to \$2,000 per annum; to the Committee on the Judiciary.

Also, a bill (H. R. 2033) to prevent gambling in cotton futures and make it unlawful for any person, corporation, or association of persons to sell any contract for future delivery of any cotton within the United States, unless such seller is actually the legitimate owner of the cotton so contracted for future delivery at the time said sale or contract of sale is made; to the Committee on Agriculture.

Also, a bill (H. R. 2034) authorizing an appropriation for the erection of a veterinary hospital at Fort Bliss, Tex.; to the Committee on Military Affairs.

Also, a bill (H. R. 2035) to provide a salary for the referee in bankruptcy for the Pecos division of the western judicial district of Texas; to the Committee on the Judiciary.

Also, a bill (H. R. 2036) authorizing and providing for the construction of a military highway paralleling the Rio Grande border of that portion of the United States between Texas and Mexico, and along the entire border, or certain sections thereof, of that portion of the United States between Mexico and the States of New Mexico, Arizona, and California, and appropriating money therefor; to the Committee on Roads.

Also, a bill (H. R. 2037) to amend the act of March 3, 1927, granting pensions to certain soldiers who served in the Indian wars from 1817 to 1898, and for other purposes; to the Committee on Pensions.

By Mr. GOODWIN: A bill (H. R. 2038) to abolish the national-origins method of determining quotas under the immigration act of 1924; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 2039) to continue in effect for five years the act entitled "An act for the promotion of the welfare and hygiene of maternity and infancy, and for other purposes," approved November 23, 1921; to the Committee on Interstate and Foreign Commerce.

By Mr. JAMES: Joint resolution (H. J. Res. 54) authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point Bey Mario Arosemena, a citizen of Panama; to the Committee on Military Affairs.

By Mr. MAGRADY: Joint resolution (H. J. Res. 55) proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. WOOD: Joint resolution (H. J. Res. 56) to provide funds for the eradication, control, and prevention of the spread of the Mediterranean fruit fly; to the Committee on Appropriations.

## MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of Minnesota, memorializing Congress for the adoption of a pending measure for the relief of landowners burdened by drainage assessments; to the Committee on Irrigation and Reclamation.

By Mr. SELVIG: Memorial of the State Legislature of the State of Minnesota, urging Congress to adopt a pending measure for the relief of landowners burdened by drainage assessments; to the Committee on the Public Lands.

By Mr. SIMMS: Memorial of the State Legislature of the State of New Mexico, urging Congress for the passage of Senate bill 3940, granting 76,667 acres of land to the State of New Mexico for the use and benefit of Eastern New Mexico Normal School; to the Committee on the Public Lands.

Also, memorial of the State Legislature of the State of New Mexico, urging Congress of the United States and the President of the United States to set aside old Fort Union located in Mora County, State of New Mexico, as a national monument; to the Committee on Military Affairs.

Also, memorial of the State Legislature of the State of New Mexico, urging Congress of the United States to make additional grants of land to be selected from the public domain within the State of New Mexico for the benefit of our common schools; to the Committee on the Public Lands.

Also, memorial of the State Legislature of the State of New Mexico, memorializing the Congress of the United States, the President of the United States, and the Secretary of the Interior relative to an appropriation by Congress to defray the cost, tuition, and expenses of enrolling and maintaining 10 Indian boys yearly from the Government Indian schools in the State of New Mexico, in the New Mexico Military Institute; to the Committee on Indian Affairs.

Also, memorial of the State Legislature of the State of New Mexico, urging Congress of the United States to extend the time under section 445 of title 38, United States Code as amended May 29, 1928 (ch. 875, sec. 1, 45 Stat.), within which actions may be filed on war-risk insurance policies; to the Committee on World War Veterans' Legislation.

Also, memorial of the State Legislature of the State of New Mexico, urging Congress of the United States to either so amend the present acts of Congress relating to the leasing of certain classes of public mineral lands, so as to apply to deposits of granulated gypsum lands in New Mexico, or if deemed inadvisable so to do, to grant such gypsum mineral lands to the State of New Mexico to be leased under such laws as such States may provide for the benefit of the public-school system of the State of New Mexico; to the Committee on the Public Lands.

By Mr. KERR: Memorial of the Legislature of the State of North Carolina, memorializing Congress to pass an act for the construction of a system of national highways connecting the capital of the 48 States, and the appointment of a commission to foster such legislation; to the Committee on Roads.

By Mr. MAGRADY: Memorial of the Legislature of the State of Pennsylvania, requesting the Postmaster General to cause to be issued postage stamps of the denomination of 2 cents each, commemorative of the Sullivan campaign of 1779 in New York and Pennsylvania; to the Committee on the Post Office and Post Roads.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALMON: A bill (H. R. 2040) granting a pension to Nicholas P. Broadway; to the Committee on Pensions.

By Mr. BACHMANN: A bill (H. R. 2041) to extend benefits under the World War veterans' act, 1924, as amended, to James L. Hannon; to the Committee on Military Affairs.

Also, a bill (H. R. 2042) to extend benefits under the World War veterans' act, 1924, as amended, to Herbert L. Burge; to the Committee on Military Affairs.

Also, a bill (H. R. 2043) to extend benefits under the World War veterans' act, 1924, as amended, to the dependents of the late Leonidas B. Linger; to the Committee on Military Affairs.

Also, a bill (H. R. 2044) granting a pension to Belle Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2045) granting an increase of pension to Elizabeth Thomas; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2046) for the relief of Henry C. Perrine; to the Committee on Military Affairs.

Also, a bill (H. R. 2047) for the relief of R. P. Biddle; to the Committee on Claims.

Also, a bill (H. R. 2048) granting a pension to Walter Fallen; to the Committee on Pensions.

Also, a bill (H. R. 2049) granting a pension to Charles D. Booth; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2050) granting an increase of pension to Nancy H. Cunningham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2051) granting an increase of pension to May Graham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2052) granting an increase of pension to Margery Guy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2053) granting an increase of pension to Harriet Yost; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2054) granting an increase of pension to Mary E. Harris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2055) granting a pension to Bessie Finsley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2056) for the relief of Raymond H. Leu; to the Committee on Naval Affairs.

Also, a bill (H. R. 2057) for the relief of Andrew Boyd Rogers; to the Committee on Naval Affairs.

By Mr. BEERS: A bill (H. R. 2058) granting a pension to Lillie Haupt; to the Committee on Invalid Pensions.

By Mr. BRITTEN: A bill (H. R. 2059) for the relief of Kate Canniff; to the Committee on Claims.

By Mr. CAMPBELL of Pennsylvania: A bill (H. R. 2060) granting an increase of pension to Elizabeth Davis; to the Committee on Invalid Pensions.

By Mr. COCHRAN of Pennsylvania: A bill (H. R. 2061) granting an increase of pension to Elizabeth McKown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2062) granting an increase of pension to Mary L. Briggs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2063) granting an increase of pension to Mary J. Matha; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2064) granting an increase of pension to Jane Nobbs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2065) granting a pension to Lenora Powell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2066) granting a pension to Martha J. Salda; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2067) granting a pension to Lovinua Nichols; to the Committee on Invalid Pensions.

By Mr. EATON of New Jersey: A bill (H. R. 2068) to extend the benefits of the employees' compensation act of September 7, 1916, to William Cox, jr., a former employee of the United States district court at Trenton, N. J.; to the Committee on Claims.

By Mr. FRENCH: A bill (H. R. 2069) for the relief of the estate of Katherine Heinrich (Charles Grieser and others, executors); to the Committee on Ways and Means.

Also, a bill (H. R. 2070) granting an increase of pension to Naomi Follett; to the Committee on Invalid Pensions.

By Mr. FULLER: A bill (H. R. 2071) granting a pension to Sina B. Cook; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2072) granting a pension to Virginia L. Shaddox; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2073) granting a pension to Malinda C. Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2074) granting a pension to Lucy F. Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2075) for the relief of Addie Belle Smith; to the Committee on Invalid Pensions.

By Mr. GOLDSBOROUGH: A bill (H. R. 2076) to provide for the examination and survey of Walnut Harbor, Talbot County, Md.; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 2077) to provide for the examination and survey of Smiths Island, Somerset County, Md.; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 2078) to provide for the examination and survey of Knapps Narrows, Talbot County, Md.; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 2079) to provide for the examination and survey of the channel of the Upper Thoroughfare lying between the steamboat wharf on Deals Island and Maynes Point in the Tangier district; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 2080) for the relief of Marion Downes; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 2081) for the relief of the Tilghman Canning Co.; to the Committee on Claims.

Also, a bill (H. R. 2082) to carry out the provisions of the Court of Claims in the case of Martha J. Briscoe, widow of John A. Briscoe, deceased; to the Committee on War Claims.

By Mr. GOODWIN: A bill (H. R. 2083) for the relief of A. N. Ross; to the Committee on Claims.

By Mr. GREENWOOD: A bill (H. R. 2084) granting an increase of pension to Eliza J. Bullock; to the Committee on Invalid Pensions.

By Mr. HALSEY: A bill (H. R. 2085) granting a pension to John E. W. Todd; to the Committee on Invalid Pensions.

By Mr. HALE: A bill (H. R. 2086) for the relief of Harold Lytle; to the Committee on Naval Affairs.

Also, a bill (H. R. 2087) for the relief of Ray W. Firth; to the Committee on Claims.

Also, a bill (H. R. 2088) for the relief of George W. Edgerly; to the Committee on Military Affairs.

Also, a bill (H. R. 2089) granting a pension to Sophia Sutcliffe; to the Committee on Pensions.

Also, a bill (H. R. 2090) granting an increase of pension to Frank G. Nelson; to the Committee on Claims.

By Mr. HOGG: A bill (H. R. 2091) granting an increase of pension to Emily Wheeler; to the Committee on Invalid Pensions.

By Mr. HUDSPETH: A bill (H. R. 2092) granting a pension to Presley B. Bradley; to the Committee on Pensions.

Also, a bill (H. R. 2093) granting a pension to Joseph Farnandis; to the Committee on Pensions.

Also, a bill (H. R. 2094) granting a pension to Arthur Hunt; to the Committee on Pensions.

Also, a bill (H. R. 2095) for the relief of G. C. Clegg; to the Committee on Claims.

By Mr. IRWIN: A bill (H. R. 2096) granting a pension to Adeline Blattner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2097) granting an increase of pension to Sylveen M. Vernor; to the Committee on Invalid Pensions.

By Mr. JAMES: A bill (H. R. 2098) granting a pension to William J. Carah; to the Committee on Pensions.

By Mrs. KAHN: A bill (H. R. 2099) providing for the advancement on the retired list of the Army of Hunter Liggett, major general, United States Army, retired; to the Committee on Military Affairs.

By Mr. KENDALL of Kentucky: A bill (H. R. 2100) granting a pension to Kate Drake; to the Committee on Pensions.

By Mr. LOZIER: A bill (H. R. 2101) granting an increase of pension to Nettie Rose; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2102) granting an increase of pension to Della Segó; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2103) to correct the military record of Robert D. Allnutt (Robert D. Alnutt or Robert Allnutt or Robert Alnutt); to the Committee on Military Affairs.

By Mr. PALMER: A bill (H. R. 2104) granting an increase of pension to Nancy E. Askey; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 2105) granting an increase of pension to Lucy A. Royal; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2106) granting an increase of pension to Frances A. Reed; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2107) granting an increase of pension to Mary M. Collier; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2108) granting an increase of pension to Almeda J. McBride; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2109) granting an increase of pension to Harry Elkins; to the Committee on Pensions.

Also, a bill (H. R. 2110) granting a pension to James L. Pierston; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2111) granting a pension to Rose E. Harshey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2112) granting a pension to Mattie Tomlinson; to the Committee on Pensions.

By Mr. SEARS: A bill (H. R. 2113) for the relief of Charles W. Martin; to the Committee on Claims.

By Mr. SNELL: A bill (H. R. 2114) granting an increase of pension to Rose Dufore; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 2115) granting an increase of pension to Ella Adelbert Campbell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2116) granting an increase of pension to Ella Piper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2117) granting an increase of pension to Esther E. Treat; to the Committee on Invalid Pensions.

By Mr. SUMMERS of Washington: A bill (H. R. 2118) granting a pension to John F. Sales; to the Committee on Pensions.

By Mr. SUTHERLAND: A bill (H. R. 2119) for the relief of the estate of S. M. Cappers; to the Committee on the Territories.

By Mr. SWING: A bill (H. R. 2120) for the relief of Malven A. Williams; to the Committee on Military Affairs.



## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

199. Petition of Northern Federation of Civic Organizations, San Francisco, Calif., favoring reduction on earned incomes; to the Committee on Ways and Means.

200. By Mr. BAIRD: Memorial of General Poland Camp, No. 44, Spanish War Veterans, of Pemberville, Ohio, favoring additional pensions for Spanish War soldiers; to the Committee on Pensions.

201. Also, petition of the Northwestern Cooperative Sales Co., of Wauseon, Ohio, requesting passage of farm relief legislation and revision of the tariff to favor the farming population; to the Committee on Agriculture.

202. Also, memorial of the Central Dairy Producers Council, of Dayton, Ohio, requesting passage of the farm relief bill and increased tariff duties on dairy products, and also on oils and fats imported from the Philippines and other tropical countries; to the Committee on Ways and Means.

203. By Mr. BRUNNER: Petition of Foreign Service Camp, No. 87, United Spanish War Veterans, Department of New York, to the Congress and the President of the United States for speedy action on and passage of House bill 14676, granting pensions and increase of pensions to certain soldiers, sailors, and nurses of the war with Spain, the Philippine insurrection, or the China relief expedition; to the Committee on Pensions.

204. Also, petition of the Foreign Service Camp, No. 87, United Spanish War Veterans, Department of New York, requesting speedy action in the passage of the Knutson pension bill by Congress; to the Committee on Pensions.

205. By Mr. CONNERY: Petition of St. Brendan Society, Boston, Mass., protesting against the national origins amendment to the immigration laws; to the Committee on Immigration and Naturalization.

206. By Mr. GOODWIN: Memorial of the Minnesota State Legislature, for the adoption of a measure now pending in Congress for the relief of landowners burdened by drainage assessments (S. 4689; H. R. 14116); to the Committee on Irrigation and Reclamation.

207. By Mr. HUDSON: Petition of citizens of Lansing, Mich., protesting against the calling of an international conference or the acceptance of an invitation to participate in such a conference for the purpose of revising the present calendar, unless a proviso be attached thereto definitely guaranteeing the preservation of the continuity of the weekly cycle without the insertion of blank days; to the Committee on Foreign Affairs.

208. By Mr. McCORMACK of Massachusetts: Petition of Knights of St. Finbarr (Corkmen's Association), John W. Flynn, president, 1156 Cambridge Street, Cambridge, Mass., urging repeal of the national-origins clause in the immigration act of 1924; to the Committee on Immigration and Naturalization.

209. By Mr. MERRITT: Petition of Mrs. John F. Hardman and 10 others, of Greenwich, Conn., protesting against change in calendar except under certain conditions; to the Committee on Foreign Affairs.

210. By Mr. O'CONNELL of New York: Petition of the Foreign Service Camp, No. 87, United Spanish War Veterans, Department of New York, favoring the passage of the Knutson bill, Spanish War pension increases; to the Committee on Pensions.

211. Also, petition of J. A. Noone, Brooklyn, N. Y., opposing an increase of duty on lumber; to the Committee on Ways and Means.

212. Also, petition of Miss Carolyn E. Boller, of Brooklyn, N. Y., favoring an increase of duty on pecan nuts; to the Committee on Ways and Means.

213. Also, petition of the Gilbert Knitting Co. (Inc.), Little Falls, N. Y., protesting against the proposal of the wool growers that the duties on wools and wool by-products be raised to a prohibitory basis; to the Committee on Ways and Means.

214. By Mr. O'CONNOR of New York: Resolution of Foreign Service Camp, No. 87, United Spanish War Veterans, Department of New York, urging passage of House bill 14676, to proportionately increase pensions of Spanish War veterans; to the Committee on Pensions.

215. By Mr. RAYBURN: Petition of the turkey raisers of the State of Texas, urging Congress of the United States for a tariff of 16 cents per pound on turkeys; to the Committee on Ways and Means.

216. By Mr. SELVIG: Resolution of Ada Cooperative Livestock Shipping Association, passed March 6, 1929, urging Congress to pass legislation that will give livestock producers the same protection and regulation at points other than terminal markets where livestock is bought and sold as exists at our terminal markets; to the Committee on Interstate and Foreign Commerce.

217. Also, resolution of 150 farmers of Fergus Falls, Minn., and vicinity, urging Congress to enact legislation that will put concentration points and private yards of livestock packers under the same supervision as exists at our open competitive terminal markets; to the Committee on Interstate and Foreign Commerce.

218. Also, petition of Raymond and Alfred Dagen, Sivert and Clarence Hagen, and Ole Hvamstad, all of Donaldson, Minn., in favor of a large increase in tariff duties on competitive farm products; to the Committee on Ways and Means.

219. Also, petition of Ole J. Brekke, William Rud, Anton Zink, and Sommers & Sons, all of Radium, Minn., in favor of a large increase in tariff duties on competitive farm products; to the Committee on Ways and Means.

220. Also, petition of John A. Vomacka, A. Mortenson, and 79 others, of Ogema, Minn., and vicinity, urging Congress to approve the "Minnesota plan" of farm relief, as worked out by the editors of the Minnesota rural newspapers; to the Committee on Agriculture.

221. By Mr. SEGER: Petition of the Rev. Edward M. Saunier and 43 citizens, of Paterson, N. J., protesting against the treatment being given the American Indians and requesting alleged conditions be remedied; to the Committee on Indian Affairs.

222. By Mr. SWING: Petition of citizens of Valley Center, Calif., protesting a revision of the present calendar; to the Committee on Foreign Affairs.

223. By Mr. YATES: Petition of J. E. Hamman, grain dealer, Arcola, Ill., urging that any farm relief bill ought to provide that cooperative associations shall have no exclusive rights; to the Committee on Agriculture.

224. Also, petition of M. M. Skinner, Skinner Paint & Varnish Co., Galesburg, Ill., opposing tariff on china wood oil; to the Committee on Ways and Means.

225. Also, petition of Anna May Rohde, 1759 West Ninety-fifth Street, Chicago, Ill., urging repeal of national-origins clause of the immigration act; to the Committee on Immigration and Naturalization.

226. Also, petition of Rev. Carl J. Andreen and Augusta Andreen, 4772 North Karlov Avenue, Chicago, Ill., urging repeal of national-origins provision of the immigration act; to the Committee on Immigration and Naturalization.

227. Also, petition of J. A. Harlan, C. C. Harlan & Co., Cheneyville, Ill., and Kenneth Pierce, 3442 Foster Avenue, Chicago, Ill., opposing any measure of farm legislation discriminating against private capital; to the Committee on Agriculture.

228. Also, petition of Helma Schalin, 3623 Rokeby Street, Chicago, Ill., urging repeal of the national-origins provision of the immigration act; to the Committee on Immigration and Naturalization.

229. Also, petition of Robert B. Harshe, director the Art Institute of Chicago, protesting imposition of tariff on art objects and antiques; to the Committee on Ways and Means.

230. Also, petition of A. M. Shields, Benson, Ill., H. A. Rumsey, president and treasurer Rumsey & Co., 538 South Clark Street, Chicago, Ill., and C. S. Olsen, 3830 Franklin Street, Western Springs, Ill., opposing any farm-relief measure discriminating against private capital; to the Committee on Agriculture.

231. Also, petition of J. M. Murphy and E. E. Ewing—Murphy & Ewing, dealers in grain and livestock, Stanford, Ill., opposing any farm-relief measure discriminating against private capital; to the Committee on Agriculture.

232. Also, petition of McLean County Milk Producers' Association, urging imposition of tariff on dairy products, oils, and fats, and also increase of rate on copra and on products from Philippine Islands; to the Committee on Ways and Means.

233. Also, petition of Dr. T. O. Freeman, Mattoon, Ill., opposing Newton bill (H. R. 17183); to the Committee on Interstate and Foreign Commerce.

234. Also, petition of C. W. Peterson, secretary and treasurer Peterson Grain Co., Grand Ridge, Ill., opposing any farm-relief measure discriminating against private capital; to the Committee on Ways and Means.

235. Also, petition of Mrs. Horace Gray, 1242 Astor Street, Chicago, Ill., urging defeat of Newton bill (H. R. 17183); to the Committee on Interstate and Foreign Commerce.

236. Also, petition of L. E. McAtee, of L. E. McAtee & Co., grain brokers, Rantoul, Ill., and Jacob Johnson, grain dealer, Gifford, Ill., opposing any farm-relief measure discriminating against private capital; to the Committee on Agriculture.

237. Also, petition of A. C. Rapp, secretary and treasurer Steward Grain & Lumber Co. (Inc.), Steward, Ill., opposing any farm-relief measure discriminating against any private enterprise; to the Committee on Agriculture.

238. Also, petition of Carter Euziere, grain dealer, Manteno, Ill., opposing any farm-relief measure discriminating against private capital; to the Committee on Agriculture.

239. Also, petition of the Florsheim Shoe Co., Chicago, Ill., urging the placement of hides on the free list; to the Committee on Ways and Means.

240. Also, petition of P. L. Betts, Chicago Equity-Union Exchange, urging increase of tariff on oils and fats; to the Committee on Ways and Means.

241. Also, petition of George M. Van Kirk and associates urging passage of House bill 12693 and Senate bill 3894; to the Committee on Agriculture.

242. Also, petition of John E. Wilder, of Wilder & Co., 1038 Crosley Street, Chicago, Ill., urging the placement of hides on free list; to the Committee on Ways and Means.

243. Also, petition of Irvin Funk, of M. Funk & Son, grain merchants, Kernan, Ill.; Oscar Berga, Amboy, Ill.; and J. H. Rosentiel, president Rosentiel & Co., Freeport, Ill., opposing any farm-relief measure discriminating against private capital; to the Committee on Agriculture.

244. Also, petition of H. E. Crum, Cornell, Ill., protesting against any farm relief measure discriminating against private cooperative companies; to the Committee on Agriculture.

## SENATE

FRIDAY, April 26, 1929

(Legislative day of Tuesday, April 23, 1929)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed the bill (S. 179) to authorize the Secretary of Commerce to dispose of the marine biological station at Key West, Fla.

The message also announced that the House had passed a bill (H. R. 1) to establish a Federal farm board to promote the effective merchandising of agricultural commodities in interstate and foreign commerce and to place agriculture on a basis of economic equality with other industries, in which it requested the concurrence of the Senate.

### ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 179. An act to authorize the Secretary of Commerce to dispose of the marine biological station at Key West, Fla.; and

H. R. 1412. An act making appropriations for certain expenses of the legislative branch incident to the first session of the Seventy-first Congress.

### BOARD OF REGENTS, SMITHSONIAN INSTITUTION

The VICE PRESIDENT. In accordance with the provisions of section 5581 of the Revised Statutes (U. S. C. p. 613, sec. 43), the Chair appoints the Senator from Virginia [Mr. SWANSON] as a member of the Board of Regents of the Smithsonian Institution for the term ending March 3, 1935, to succeed himself, his term as regent having expired on March 3 last.

### INTERFERENCE WITH SENATOR HEFLIN'S RIGHTS

Mr. HEFLIN addressed the Chair.

Mr. WATSON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Allen	Edge	Kean	Sheppard
Ashurst	Fess	Kendrick	Shortridge
Barkley	Fletcher	Keyes	Simmons
Bingham	Frazier	King	Smith
Black	George	La Follette	Smoot
Blaine	Glass	McKellar	Steak
Bleuse	Goff	McMaster	Stetson
Borah	Goldsborough	McNary	Thomas, Idaho
Bratton	Gould	Metcalf	Thomas, Okla.
Brookhart	Greene	Norbeck	Trammell
Broussard	Hale	Norris	Tydings
Burton	Harris	Nye	Tyson
Capper	Harrison	Oddie	Vandenberg
Caraway	Hastings	Overman	Wagner
Connally	Hawes	Patterson	Walcott
Copeland	Hayden	Phipps	Walsh, Mass.
Couzens	Hebert	Pine	Walsh, Mont.
Cutting	Hefflin	Pittman	Warren
Dale	Howell	Robinson, Ark.	Waterman
Deneen	Johnson	Robinson, Ind.	Watson
Dill	Jones	Sackett	Wheeler

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

Mr. WATSON and Mr. HEFLIN addressed the Chair.

The VICE PRESIDENT. The Senator from Indiana.

Mr. WATSON. In accordance with the promise—

Mr. HEFLIN. Mr. President, I rise to a question of personal privilege.

The VICE PRESIDENT. The Senator from Alabama is recognized.

Mr. HEFLIN. The Washington Post this morning contains a misleading statement and a false statement about the action of Alabama women regarding me and the un-American activities of the Roman Catholic political machine. Mr. George Rothwell Brown, one of the faithful of the Vatican, said that Senator HEFLIN had been denounced by 30,000 women in Alabama. His statement in addition to being ridiculous is absolutely untrue.

Mr. President, I had a telegram from some friends in Birmingham this morning, stating that there are not a hundred women members of the organization named, and I now challenge them to show 500 members in a population of two and one-half million people in Alabama. This is a clumsy and contemptible piece of cheap politics. This remarkable outburst that bears the name of a woman at Birmingham was gotten up by my enemies, both inside and outside the State. A right interesting feature in connection with it is, Mr. President, that it comes from New York, "New York World News Service," the article shows that, with the date line of Birmingham, Ala. I knew that some of that Roman bunch up there had a hand in this thing. It has come right out of the hotbed of the Raskobs and Tammanyites, where Governor Smith introduced an amendment in the constitutional convention in New York to put the parochial schools on the same level with the public schools of America, where he undertook to amend the constitution by providing that in the State of New York the public funds should be appropriated to parochial schools the same as to public schools.

So this will enable the people of the country to get a new light on the question that I am discussing here—the dangers which threaten the American Government, and because of that a conspiracy has been formed against me. Probably somebody in Washington had a hand in this bogus Roman statement from Birmingham by way of New York. The New York Romanists figured in it. They, with a small bunch of ambitious and unscrupulous men used a woman's name down in Alabama, the same woman who last fall, according to reports to me by Democrats who supported Mr. Hoover, came to the Hoover headquarters and told them that she would support Hoover if she could get some money, and that she would try to swing the women there into line for Hoover if the money should be forthcoming.

That gives you briefly the sneaking, disgusting, and reprehensible move that has been made against me by my enemies and the hirelings of Rome in the nighttime just a few hours before a vote was to be taken in the Senate upon a resolution which involved a matter where a Senator in this body (myself) had been assaulted with the intent to murder him, and where the Senate was called upon to rebuke the people who interfered with the right of free speech, one of the great bulwarks of American liberty, and the right of peaceful assembly, another of the mighty bulwarks of the rights and interests of the masses of America. They constitute a city of refuge for mistreated and oppressed labor. They are the strongholds of liberty to patriots everywhere. I repeat, on top of the two offenses just mentioned violence was employed to attack a United States Senator and to murder him if possible. A policeman in Brockton bears the marks of a terrible scar on his temple where this would-be assassin struck him down and almost murdered him. I was asking the Senate simply to declare that we favor the protection of the citizen in his right of free speech and peaceful assembly and to express its disapproval and condemnation of an assault made upon a Senator for exercising his constitutional right of free speech. And, Mr. President, when the Senate was about to take action on the matter this crooked and miserable article comes out of my home State, they claim, and appears in a paper in the Capital City this morning when they had been told a vote would be had without debate, and when the Senate was being solemnly called upon to express itself upon a question vital to the rights and liberties of every American citizen.

This thing was undertaken once before in Alabama in a little different way. When I was leading the fight in the Senate to drive Governor Harding from the Federal Reserve Board for aiding in producing a panic that robbed the farmers, merchants, bankers, and manufacturers in Alabama of millions of dollars a State Democratic convention was held, and a certain chairman was to get through that convention a resolution indorsing Governor Harding. But my friends were on guard and prevented it. Senators, a grave and serious ques-